



United Nations

United Nations Development Programme

**Financial report and audited
financial statements**

**for the biennium ended 31 December 1997
and**

Report of the Board of Auditors

General Assembly

Official Records

Fifty-third Session

Supplement No. 5A (A/53/5/Add.1)

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United Nations • New York, 1998

Note

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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Abbreviations

AfDB	African Development Bank
AFESD	Arab Fund for Economic and Social Development
AsDB	Asian Development Bank
CEC	Commission of the European Communities
DEVNET	Development Network
EBRD	European Bank for Reconstruction and Development
ECA	Economic Commission for Africa
ECE	Economic Commission for Europe
ECLAC	Economic Commission for Latin America and the Caribbean
EEC	European Economic Commission
EIMS	Executive Information Management System
ESCAP	Economic and Social Commission for Asia and the Pacific
ESCWA	Economic and Social Commission for Western Asia
FAO	Food and Agriculture Organization of the United Nations
FIM	Financial Information Management
GEF	Global Environment Facility
IADB	Inter-American Development Bank
IAEA	International Atomic Energy Agency
IAPSO	Inter-Agency Procurement Services Office
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
IDA	International Development Association
IDB	Inter-American Development Bank
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
ILO	International Labour Organization
IMF	International Monetary Fund
IMIS	Integrated Management Information System
IMO	International Maritime Organization
IOM	International Organization for Migration
ITC	International Trade Centre
ITU	International Telecommunication Union
JPO	Junior Professional Officer
NEX	National Execution
NGO	Non-Governmental Organization
OECD	Organisation for Economic Cooperation and Development
OIOS	Office of Internal Oversight Services
PFMS	Project Financial Management System
SICA	Spanish International Cooperation Agency
UNCDF	United Nations Capital Development Fund
UNCHS	United Nations Centre for Human Settlements (Habitat)
UNCTAD	United Nations Conference on Trade and Development
UNDP	United Nations Development Programme

UNEP	United Nations Environment Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNFSTD	United Nations Fund for Science and Technology for Development
UNHCR	Office of the United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNIFEM	United Nations Development Fund for Women
UNITAR	United Nations Institute for Training and Research
UNOPS	United Nations Office for Project Services
UNRFRNRE	United Nations Revolving Fund for Natural Resources Exploration
UNSO	Office to Combat Desertification and Drought
UNTAC	United Nations Transitional Authority in Cambodia
UNV	United Nations Volunteers
UPU	Universal Postal Union
USAID	United States Agency for International Development
WFP	World Food Programme
WHO	World Health Organization
WIPO	World Intellectual Property Organization
WMO	World Meteorological Organization
WTO	World Tourism Organization

Letters of transmittal and certification

29 April 1998

Sir,

Pursuant to financial regulation 16.1, we have the honour to submit the financial statements of the United Nations Development Programme (UNDP) for the biennium ended 31 December 1997, which we hereby approve.

Copies of these financial statements are also being transmitted to the Advisory Committee on Administrative and Budgetary Questions.

We, the undersigned, acknowledge that:

The Management is responsible for the integrity and objectivity of the financial information included in these financial statements.

The financial statements have been prepared in accordance with the United Nations System Accounting Standards and include certain amounts that are based on Managements' best estimates and judgements.

Accounting procedures and related systems of internal control provide reasonable assurance that assets are safeguarded, that the books and records properly reflect all transactions and that overall, policies and procedures are implemented with an appropriate segregation of duties. UNDP internal auditors continually review the accounting and control systems. Further improvements are being implemented in specific areas.

The Management provided the United Nations Board of Auditors and UNDP internal auditors with full and free access to all accounting and financial records.

The recommendations of the United Nations Board of Auditors and UNDP internal auditors are reviewed by the Management. Control procedures have been revised or are in the process of revision, as appropriate, in response to those recommendations.

We each certify that, to the best of our knowledge, information and belief, all material transactions have been properly charged in the accounting records and are properly reflected in the appended financial statements.

Accept, Sir, the assurances of our highest consideration.

(Signed) James Gustave Speth
Administrator

(Signed) Veronique Lavorel
Assistant Administrator
Bureau for Financial and
Administrative Services

The Chairman of the Board of Auditors
United Nations
New York

15 July 1998

Sir,

I have the honour to transmit to you the financial statements of the United Nations Development Programme for the biennium 1996–1997 ended 31 December 1997, which were submitted by the Administrator. These statements have been examined and include the audit opinion of the Board of Auditors.

In addition, I have the honour to present the report of the Board of Auditors with respect to the above accounts.

Accept, Sir, the assurances of my highest consideration.

(Signed) Vijay Krishna Shunglu
Comptroller and Auditor General
of India and Chairman
United Nations Board of Auditors

The President of the General Assembly
of the United Nations
New York

Chapter I

Financial report for the biennium ended 31 December 1997

1. The Administrator has the honour to submit his financial report for the biennium ended 31 December 1997, together with the audited financial statements of the United Nations Development Programme (UNDP) for the biennium ended 31 December 1997 and the report of the Board of Auditors. This submission is made in conformity with the Financial Regulations of the United Nations Development Programme. The financial statements consist of statements and schedules, accompanied by notes, which are an integral part of the financial statements, and include all trust funds established by the Administrator as well as all funds established by the General Assembly and administered by UNDP.

2. The UNDP financial statements incorporate expenditure data obtained from the executing agencies. As far as possible, the data are obtained from the agencies' audited statements or, when such statements are not available at the time of the year-end closing of the UNDP accounting records, either from the agencies' statements as submitted for audit or from the agencies' unaudited statements.

3. As at the date of preparation of the present financial statements, the status of information received from the executing agencies was as follows:

(a) Audited statements were provided by the following executing agencies:

World Health Organization (WHO)

International Atomic Energy Agency (IAEA)

(b) Statements as submitted for audit or unaudited statements were provided by the following executing agencies:

African Development Bank (AfDB)

Asian Development Bank (AsDB)

Economic and Social Commission for Asia and the Pacific (ESCAP)

Economic and Social Commission for Western Asia (ESCWA)

Economic Commission for Africa (ECA)

Economic Commission for Europe (ECE)

Economic Commission for Latin America and the Caribbean (ECLAC)

Food and Agriculture Organization of the United Nations (FAO)

International Bank for Reconstruction and Development (World Bank) (IBRD)

International Civil Aviation Organization (ICAO)

International Finance Corporation (IFC)

International Labour Organization (ILO)

International Maritime Organization (IMO)

International Monetary Fund (IMF)

International Telecommunication Union (ITU)

International Trade Centre (ITC)

United Nations

United Nations Children's Fund (UNICEF)

United Nations Conference on Trade and Development (UNCTAD)

United Nations Educational, Scientific and Cultural Organization (UNESCO)

United Nations Industrial Development Organization (UNIDO)

United Nations Institute for Training and Research (UNITAR)

United Nations Office for Project Services (UNOPS)

Universal Postal Union (UPU)

World Health Organization (WHO)

World Intellectual Property Organization (WIPO)
World Meteorological Organization (WMO)
World Tourism Organization (WTO)

Changes in accounting practices and policies in the biennium

Accounting policies

4. A summary of significant accounting policies applied in the preparation of the financial statements is provided in note 2 to the financial statements. Overall policies are the same as those applied in the 31 December 1995 financial statements. Changes in accounting policies, if any, are properly disclosed in the aforementioned note 2.

Presentation of accounts

5. Format: Following the recommendation by the Administrative Committee on Coordination on the common interorganization accounting standards and harmonized presentation of financial statements, UNDP has now fully adopted the recommended format for the biennium ended 31 December 1997.

6. In addition, the Executive Board in its decision 97/6, harmonized the budget presentation for UNDP, UNICEF and UNFPA. The new harmonized format distinguishes UNDP regular resources from its other resources (cost-sharing, reimbursable support services activities and other miscellaneous activities) and from the activities of the Funds established by the General Assembly and administered by UNDP (United Nations Capital Development Fund (UNCDF), United Nations Volunteers (UNV), United Nations Development Fund for Women (UNIFEM), United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) and United Nations Fund for Science, Technology and Development (UNFSTD)). Although this decision was not effective until 1 January 1998, UNDP proceeded with an early adoption in order to facilitate the Board's review of the biennium 1996-1997 financial results. These changes have led to some reclassifications of prior biennium figures for better comparison. Further refinement will be incorporated in the financial statements during the period 1998-1999.

7. UNDP completed the biennium 1996-1997 with overall mobilization of \$4.4 billion in contributions of which 36.6 per cent pertained to its regular resources activities, 39.6 per cent to cost-sharing activities, 12.3 per cent to specific trust funds' activities, 8.5 per cent to reimbursable support services and miscellaneous activities and 3 per cent collected through its administered funds established by the General Assembly.

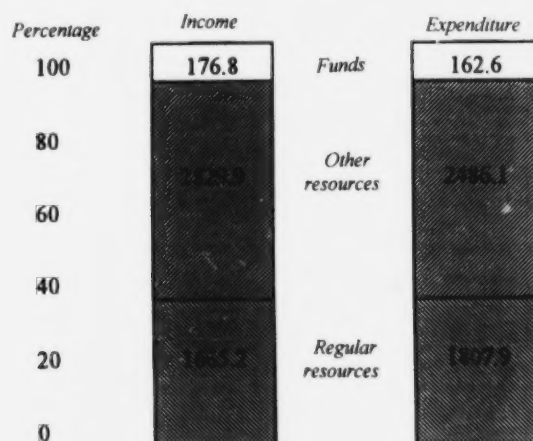
8. Total expenditure amounted to \$4.5 billion, out of which 81 per cent (\$3.6 billion) was spent in programme/project activities, 4 per cent (\$163.5 million) in support costs paid to other United Nations agents and 15 per cent (\$652.4 million) for the biennial support budget.

Table 1
Combined income and expenditure for the bienniums ended 31 December
(Millions of United States dollars)

	Regular resources		Other resources		Funds		Total ^a
	1997	1995	1997	1995	1997	1995	
Income							
Contributions, net	1 608.9	1 828.2	2 673.9	2 037.7	132.4	125.7	4 415.2
Interest income	87.1	95.2	95.2	31.7	19.5	15.1	201.8
Other income, net	(30.8)	31.8	60.8	63.6	24.9	15.0	54.9
Total income	1 665.2	1 955.2	2 829.9	2 133.0	176.8	155.8	4 671.9
Expenditure							
Programme	1 191.4	1 022.5	2 303.2	1 624.2	124.0	139.2	3 618.6
Programme support - implementing agencies	113.0	100.7	46.3	65.5	4.2	4.0	163.5
Biennial support budget	485.6	489.1	132.4	107.4	34.4	24.0	652.4
Support to Resident Coordinator	6.8	—	4.2	—	—	—	11.0
UNDP sectoral support	11.1	13.3	—	—	—	—	11.1
Total expenditure	1 807.9	1 625.6	2 486.1	1 797.1	162.6	167.2	4 456.6
Excess (shortfall) of income over expenditure	(142.7)	329.6	343.8	335.9	14.2	(11.4)	215.3
Provision for assets write down	(14.4)	—	(14.1)	—	—	—	(28.5)
Net excess (shortfall) of income over expenditure	(157.1)	329.6	329.7	335.9	14.2	(11.4)	186.8
Unexpended resource	285.0	474.7	1 197.8	852.7	126.9	121.0	1 609.7
							1 448.4

^a Aggregate totals only. Not consolidated.

Figure 1
Summary of income and expenditure for the biennium ended 31 December 1997
 (Millions of United States dollars)



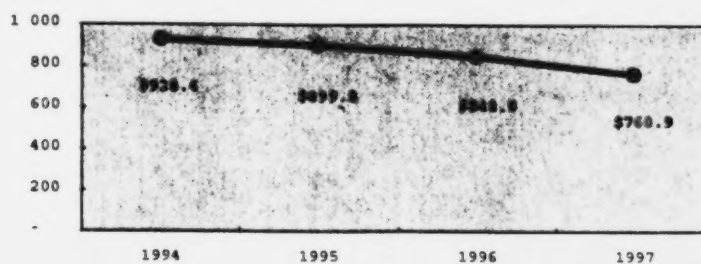
Regular resources

Income

9. Voluntary contributions declined by 12 per cent in 1996–1997 in comparison with the previous biennium.

10. The average rate of return on interest income was around 5 per cent. Other income was mainly composed of exchange gains or losses.

Figure 2
Contributions for regular resources activities for the 12 months ended 31 December
 (Millions of United States dollars)

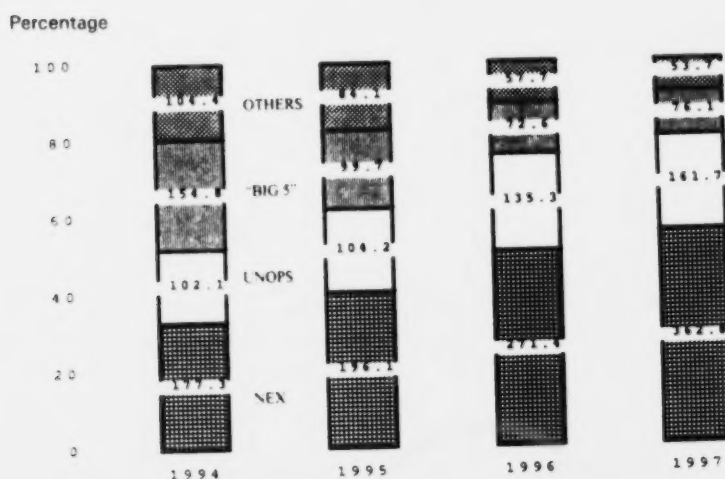


Expenditure

11. Programme expenditure (including programme support) increased from \$1.1 billion in 1994–1995 to \$1.3 billion in 1996–1997. This reflects the focus of UNDP on increasing delivery. The national execution (NEX) modality continues to expand, according to UNDP policy. Indeed, in 1994–1995, programmes valued at \$373.4 million, 36 per cent of the total 1994–1995 core resources programme expenditure, were executed by recipient countries. In 1996–1997, the NEX modality accounted for \$634 million, i.e., 53.2 per cent of the total 1996–1997 programme expenditure from core resources.

Figure 3

Expenditure by execution modality for the 12 months ended 31 December
(Millions of United States dollars)



12. There was a 41 per cent decrease in United Nations system's share of programme expenditure, from \$443.0 million in 1994–1995 to \$260.1 million in 1996–1997.

13. The biennial support budget slightly decreased by \$3.5 million as a result of management's effort to maximize its efficiency and effectiveness.

14. UNDP has been holding in its books non-convertible currencies for many years. A provision for write-down owing to loss of value in comparison with the United Nations operational rate of exchange has been set up for an amount of \$14.4 million.

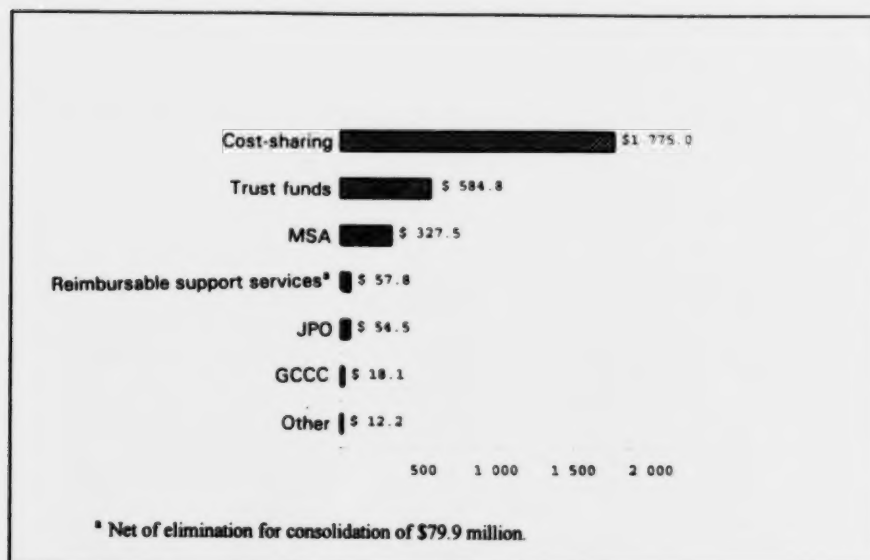
Unexpended resources

15. The decrease in voluntary contributions coupled with the growing programmes/projects delivery resulted in a reduction of the unexpended regular resources, which stood at \$285.0 million as at 31 December 1997. This is less than four months of total expenditure.

Other resources activities

Figure 4

Income for other resources activities for the biennium ended 31 December 1997
(Millions of United States dollars)



16. The increase in the other resources activities is most noticeable in cost-sharing, trust funds and Junior Professional Officers (JPOs).

Table 2
Other resources activities for the biennium ended 31 December 1997
(Millions of United States dollars)

	UNDP cost-sharing			Government cash counterpart contributions			Management service agreements			Junior Professional Officers			Reserve for Field Accommodation			Reimbursable support services			Special activities			Eliminations			Total		
	1996		1994	1996		1994	1996		1994	1996		1994	1996		1994	1996		1994	1996		1994	1996		1994	1996		1994
	1997	1995	1996	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995
Income																											
Contributions	1 742	1 197	18	19	540	494	315	280	55	48	—	—	—	—	—	—	—	—	4	—	—	—	—	—	—	2 674	2 038
Interest income	33	11	—	—	44	13	12	8	—	—	—	—	—	—	—	6	—	—	—	—	—	—	—	—	—	95	32
Other income, net	—	—	—	—	1	1	—	—	—	—	—	8	9	132	88	—	—	—	—	—	—	(80)	(35)	—	—	61	63
Total income	1 775	1 208	18	19	585	508	327	288	55	48	8	9	138	88	4	—	—	—	4	—	—	(80)	(35)	—	2 830	2 133	
Expenditure																											
Programme	1 517	978	13	14	406	305	320	286	47	42	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2 303	1 625
Programme support, implementing agencies	20	46	—	—	20	14	—	—	6	5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	46	65
Programme support to Resident Coordinator	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4	—	—	—	—	—	—	4	—
UNDP sectoral support services	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Biennial support budget	71	29	—	—	29	21	—	—	—	—	—	5	6	106	86	2	—	—	—	—	—	—	—	—	—	133	107
Total expenditure	1 608	1 053	13	14	455	340	320	286	53	47	5	6	106	86	6	—	—	—	6	—	—	(80)	(35)	—	2 486	1 797	
Excess (shortfall) of income over expenditure	167	155	5	5	130	168	7	2	2	1	3	3	32	2	(2)	—	—	—	(2)	—	—	—	—	—	—	344	336
Write-off and provision for assets write-down	—	—	—	—	—	—	—	—	—	—	(14)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(14)	—
Net excess (shortfall) of income over expenditure	167	155	5	5	130	168	7	2	2	1	(11)	3	32	2	(2)	—	—	—	(2)	—	—	—	—	—	330	336	
Savings on prior biennium's obligations	—	—	—	—	—	—	—	—	—	—	—	—	1	1	—	—	—	—	—	—	—	—	—	—	—	1	1
Refunds to donors and transfers (to) from other funds, net	—	—	—	—	(23)	—	(1)	—	—	—	—	—	—	—	—	2	—	—	3	—	—	—	—	—	(21)	2	—
Fund balances, 1 January	406	223	11	6	336	168	75	74	7	6	5	1	48	36	—	—	—	—	—	—	—	—	—	—	—	888	514
Fund balances, 31 December	573	378	16	11	443	336	81	76	9	7	(6)	4	81	41	1	—	—	—	1	—	—	—	—	—	1 198	853	

Cost-sharing

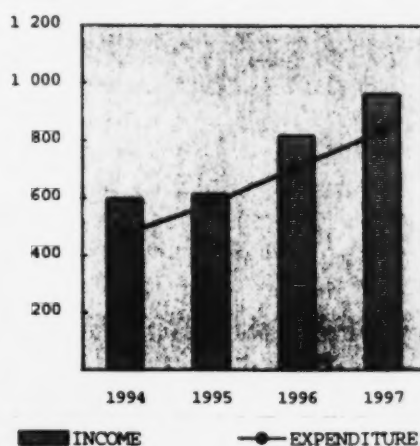
17. This funding modality is gaining more and more importance, with a total contribution increase of \$544.5 million (45.5 per cent) over the biennium 1994–1995. Out of the total \$1,741.9 million received in 1996–1997, \$187 million was attributable to third-party cost-sharing (\$156 million in 1994–1995) and \$1,464 million to recipient Governments (\$1,065 million in 1994–1995).

18. Programme expenditure as well as the support costs paid to the United Nations and other implementing agencies have increased as a result of the overall growth of this modality. The biennial support budget of \$71.2 million represents the costs charged for services provided to cost-sharing activities.

Figure 5

Summary of cost-sharing income and expenditure for the 12 months ended 31 December

(Millions of United States dollars)



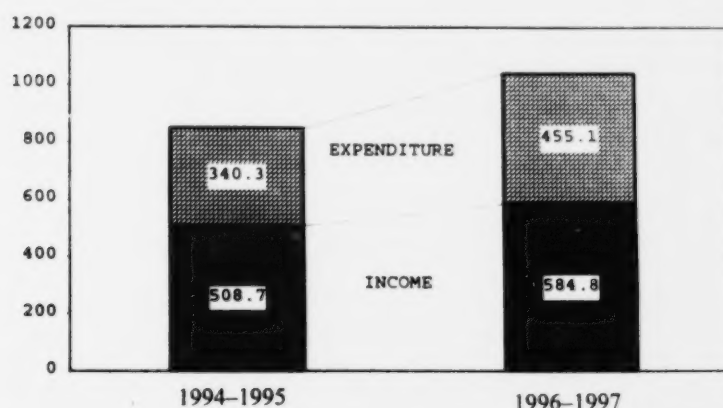
Trust funds established by the United Nations Development Programme

19. The detailed financial results of the trust funds are on schedules 5 and 5.1 to 5.3. A total of 52 trust funds and 49 sub-trust funds were established during the biennium 1996–1997, whereas 12 trust funds and 9 sub-trust funds were closed. The environmental sector is capturing most of the trust funds' resource mobilization. In 1996–1997, the Trust Fund for the Global Environment Facility (GEF), the Multilateral Fund for the Implementation of the Montreal Protocol, the "Capacity 21" Trust Fund and the Trust Fund to Combat Desertification and Drought (UNSO) captured \$211.6 million of contributions, i.e., 39 per cent of the total trust funds contributions. Countries/territories in special

situations, such as Rwanda, Angola, the occupied Palestinian territory, etc., are the second most important sector in the trust funds' activities.

Figure 6

Summary of trust funds income and expenditure for the biennium ended 31 December
(Millions of United States dollars)



Trust Fund to Combat Desertification and Drought

20. During the biennium, UNSO provided technical support and catalytic funding to some 45 countries in Africa, Latin America and the Caribbean, Asia, the countries members of the Commonwealth of Independent States and the Arab States in their efforts to develop national action programmes and to 22 countries in Africa, Latin America and the Caribbean, and Asia for the establishment of national desertification funds, in the context of the implementation of the United Nations Convention to Combat Desertification in those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa. In a similar way, UNSO has worked with the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS), the Southern African Development Community (SADC), the Intergovernmental Authority on Development (IGAD), the Arab Maghreb Union (AMU) and the Gran Chaco, Central America and Puna regions to develop subregional action programmes in their communities. Further, UNSO produced state-of-the-art publications, provided technical support to the International NGO Network on Desertification (RIOD), developed a strategy and a 12-month plan of action for strengthening the role of women in the context of the Convention and launched a pilot programme on promoting farmer innovation in rain-fed agriculture. UNSO also continues to backstop a portfolio of downstream projects covering various activities relevant to combating desertification and drought. Total programme expenditure decreased from \$16.9 million in 1994-1995 to \$10.7 million in 1996-1997. The resources mobilized went up by 19 per cent from \$11.5 million to \$13.8 million.

Trust Fund for the Global Environment Facility

21. The GEF Council held four meetings during 1996–1997, at which it reviewed and approved GEF corporate business plans, the corporate administrative budget and individual work programme targets for UNDP/GEF for the fiscal years 1997 and 1998. The GEF secretariat also conducted a separate project implementation review exercise in both 1996 and 1997 with respect to all GEF funded projects.

22. During the biennium 1996–1997 the approved work programmes of GEF amounted to a total of \$226.5 million, almost three times the amount approved for 1994–1995 (\$83.3 million). Total expenditure amounted to \$106.6 million in 1996–1997 in comparison to \$91.3 million expended in 1994–1995 (increase of 16.8 per cent).

23. Contributions received in 1996–1997 from the GEF trustee, the World Bank, amounted to \$110 million (\$115.9 million in 1994–1995). In addition, GEF mobilized \$1.7 million in cost-sharing and in sub-trust funds' projects (\$11.9 million in 1994–1995).

Multilateral Fund for the Implementation of the Montreal Protocol

24. The Multilateral Fund for the Implementation of the Montreal Protocol was established in 1991 with a mandate to implement national programmes to phase out chlorofluorocarbons (CFCs), halons and other ozone depleting substances. Four implementing agencies have been designated to implement this programme: UNDP, the United Nations Environment Programme (UNEP), UNIDO and the World Bank.

25. To achieve this objective, the activities of UNDP include:

- Formulation of national country programmes for the Montreal Protocol;
- Technical training and demonstration projects;
- Institutional strengthening/national capacity-building;
- Technology transfer investment projects.

26. From 1991 to December 1997, UNDP received project approvals totalling \$190 million from the Multilateral Fund; cumulative expenditure at 31 December 1997 totalled \$109.5 million.

27. Contributions received for 1996–1997 amounted to \$67.2 million (\$89.6 million in 1994–1995). Total programme expenditure amounted to \$61.2 million in 1996–1997 against \$33.9 million in 1994–1995.

“Capacity 21” Trust Fund

28. “Capacity 21” is now in its fifth year of operation, and has programmes in developing countries in all regions of the world, and has started on the task of monitoring progress, distilling results and lessons and creating a body of knowledge that will be of material benefit to other countries. The total resource mobilized in 1996–1997 was \$18.8 million against \$28.3 million in 1994–1995, i.e., a decrease of 33.5 per cent. During the same period, total programme expenditure amounted to \$14.9 million against \$7.2 million in 1994–1995 (an increase of 106.9 per cent).

Fund for the Programme of Assistance to the Palestinian People

29. The programming strategy of the UNDP Fund for the Programme of Assistance to the Palestinian People is based on two objectives:

(a) To utilize the Fund's limited core resources in a catalytic manner, so as to launch high-priority, capacity-building programmes that are subsequently sustained and expanded largely through voluntary bilateral donor contributions;

(b) To ensure the sustainability of the capacity-building programmes through the utilization of joint implementation structures, ensuring the long-term viability and local accountability of the Palestinian counterparts.

30. Total income received amounted to \$83.1 million in 1996–1997, i.e., an increase of 21.4 per cent over the prior biennium. These resources were mobilized through contributions to the main trust fund and the establishment of new sub-trust funds. Programme expenditure in 1996–1997 amounted to \$72.6 million, making UNDP one of the three largest implementers of donor-funded projects in the occupied Palestinian territory. Pursuant to the strategies and initiatives identified in its programme framework (1996–1998), the Fund, during the biennium, increased its focus on the expansion of its advocacy role in the promotion of such sustainable human development themes as poverty elimination, sustainable livelihoods, gender in development and environmental management.

31. During 1996–1997, the Fund also launched major activities to enhance governance at the local, municipal and central levels of the Palestinian Authority, taking full advantage of the considerable local expertise available in the area.

United Nations Development Programme Trust Fund for Rwanda

32. The UNDP Trust Fund for Rwanda was established in April 1995 to enhance UNDP programme activities in support of the Government of Rwanda's programme of national reconciliation and socio-economic rehabilitation and recovery.

33. In February 1997, direct execution by UNDP was approved for the Trust Fund for Rwanda on a case-by-case basis. The rationale for authorizing the UNDP Rwanda Country Office to apply direct execution was the result of a commitment made to the international community and to the Government of Rwanda to establish a UNDP managed system that could respond to the crisis quickly and effectively.

34. Projects in Rwanda directly executed by UNDP cover sectors, which are critical in the country context, such as the reintegration and re-installation of returnees, governance, justice and social development. Most projects are of short duration and quick impact.

35. At 31 December 1997, the Trust Fund had seven projects directly executed by UNDP. Total approved budgets for the projects of \$12 million represented approximately 22 per cent of total approved budgets. Of the approved budgets 28 per cent was executed by specialized agencies of the United Nations system while 50 per cent was nationally executed. All seven projects are fully subcontracted to implementing partners (international and local non-governmental organizations).

36. In 1996–1997, the UNDP Trust Fund for Rwanda mobilized \$55.4 million in contributions. Programme expenditure of \$29.2 million was incurred as shown in schedule 5.2. Unexpended resources at 31 December 1997 totalled \$41.9 million, of which \$23.5 million had been committed to project activities.

Energy Account

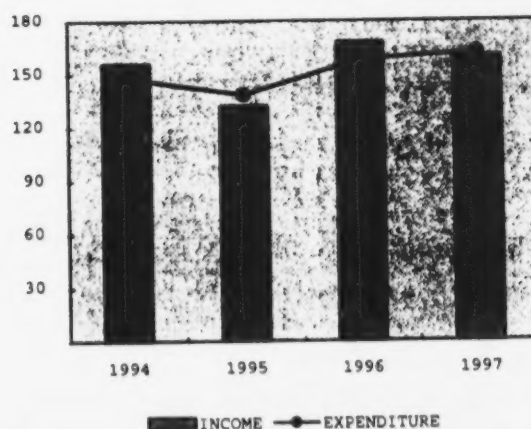
37. Most of the UNDP Energy Account activities involve identification, formulation and implementation of renewable energy projects to meet the basic energy needs of rural communities and on energy efficiency measures for residential, commercial and industrial sectors. These activities are fully in line with the UNDP Initiative for Sustainable Energy and are implemented under the Financing Energy Services for Small Scale Energy Users (FINESSE), which aims at assisting recipient countries to identify and promote technically feasible and economically viable renewable energy technologies and energy efficiency services to residential, commercial, agro-industrial and institutional energy users. FINESSE activities are presently being implemented in selected countries in Asia and the SADC region. The Energy Account received contributions of \$2.2 million in 1996–1997 (\$3.4 million in 1994–1995) against total expenditure of \$4.5 million (\$3.0 million in 1994–1995).

Management service agreements

38. Management service agreements (detailed in schedule 6.1) signed by UNDP with various donors are executed by UNOPS on behalf of UNDP. During the biennium under review, 37 new agreements were implemented, 26 agreements were financially completed, and 38 were operationally completed. The total income increase by 14 per cent in 1996–1997 (\$327.5 million) compared with the biennium 1994–1995 (\$287.3 million) whereas the total expenditure went up by 12 per cent in 1996–1997 (\$319.8 million) compared with the biennium 1994–1995 (\$286.1 million).

Figure 7

Summary of income and expenditure for management service agreements for the 12 months ended 31 December
(Millions of United States dollars)



Junior Professional Officers programme

39. UNDP currently has 831 JPOs under this programme financed by 20 countries. The increase in both income and expenditure is the effect of the growth in the numbers of participants (at 31 December 1995, the programme had 639 JPOs). The breakdown of the status as at 31 December 1997 is shown in schedule 6.2.

Other activities

40. This component comprises miscellaneous activities such as:
- (a) Reimbursable services provided by core to non-core activities, etc.;
 - (b) Activities under the Reserve for Field Accommodation;
 - (c) Unified coding system activities, etc.
41. A net amount of \$2.6 million has been written off as a result of the impairment or the sale of assets of the Reserve for Field Accommodation.
42. In addition, \$11.5 million has been provided for housing and office write down where the current market value is significantly lower than the book cost.

Funds established by the General Assembly and administered by the United Nations Development Programme

43. The funds established by the General Assembly are: UNCDF, UNV, UNIFEM, UNRPNRE and UNFSTD. The financial results are detailed in schedules 7, and 7.1 to 7.3. UNCDF, UNV and UNIFEM are still the most active funds. In the biennium under review, their delivery represented 99 per cent of all fund activities, a ratio that is comparative with 1994–1995. Their income was 98.8 per cent of the funds total in 1996–1997, compared with 98 per cent in the previous biennium.

United Nations Capital Development Fund

44. Project approvals are directed by the Fund's policy focus of reducing poverty through approaches that promote local governance, a dynamic private sector and the participation of the civil society in development initiatives. To achieve its objectives, UNCDF increased activity in its most innovative areas of intervention, i.e., local development funds, eco-development and micro-finance. In close partnership with Governments and UNDP, these activities build upon and support efforts in the least developed countries towards democratization, decentralized decision-making and the devolution of resource management to local government authorities and community organization.

45. The Fund's financial priorities in 1996–1997 included: (a) increasing resource mobilization; (b) increasing project approvals with concentration in least developed countries; and (c) increasing project expenditures and reducing administrative costs. Core contributions were around \$69.2 million for the biennium. It should, however, be mentioned that eight of the Fund's major donors increased their contributions for 1997, but the impact was negated by the strong United States dollar. The targets were surpassed for project approvals at \$52 million for 1996 and \$65 million for 1997. However, owing to change in typology of projects approved, civil unrest in some country offices, etc., project expenditure reported fell below expected results by 9 per cent for the biennium.

United Nations Volunteers

46. The biennium 1996–1997 witnessed a period of growth and change for UNV which has touched its programme, its people and its partners. The range of work of UNVs and their roles have evolved rapidly to keep pace with changes in the global environment and the needs of developing partners.

47. The changing profile of UNVs has been accompanied by progressive introduction of greater flexibility in the terms and conditions of service for volunteers as well as further broadening of volunteer profiles and their areas of work to include, in addition to international UNV specialists and field workers, National United Nations Volunteers, short-duration humanitarian relief volunteers, locally contracted eco-volunteers, United Nations-agency supported human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) and cultural heritage volunteers, private sector related UNISTAR assignments, and the TOKTEN scheme which harnesses the expertise of expatriate nationals. New partnerships forged during the biennium with, for example, the European Union, the Organization for Security and Cooperation in Europe, with United Nations system bodies such as UNAIDS, the Joint United Nations Programme on HIV/AIDS, UNDCP, UNSO, the Office of the United Nations High Commissioner for Refugees (UNHCR) and UNESCO, and with some civil society organizations have already resulted in joint endeavours in programme countries. Finally, the trend continues towards more diversified sources of funding for volunteer assignments.

48. Strategy 2000 was launched at the beginning of 1997 following a consultative and participatory process undertaken over an 18-month period during which inputs were collected from more than 400 internal and external stakeholders. It provides UNV and its partners with a frame of reference for the scope and direction of the programme from 1997 to 2000. The strategy combines pro-active programme development, in the context of follow-up to global conferences, with the need to ensure responsiveness to the demands of partners in the programme countries.

49. The major event during the biennium in the implementation of the first track of Strategy 2000, pro-active programme development, was the holding of the fourth UNV Intergovernmental Meeting at Bonn in December 1997 to debate the topic on a globalizing world: roles for volunteers. It also provided an opportunity for UNV to seek further guidance on the directions mapped out by Strategy 2000 in the three areas of focus, namely urban development, environmental management and preventive/curative development.

United Nations Development Fund for Women

50. During the biennium 1996–1997, UNIFEM re-established normal programming, under a system of new procedures for programme financial management. The direction of its programme was also reoriented, to provide for greater thematic focus and for concepts of results-based management.

51. Schedule 7 shows total income of UNIFEM of \$36.0 million and expenditure totalling \$28.3 million in 1996–1997, resulting in a surplus of income of \$7.7 million. Biennial support budget amounted to \$6.4 million. Unexpended resources at 31 December 1997 totalled \$12.3 million and contributions receivable were \$6.9 million. Unspent allocations amounted to \$15.3 million. At its annual session in September 1996, the Executive Board approved the re-establishment of the partial funding system and the operational reserve. The reserve was approved at a level of \$3 million and now stands at \$3.5 million, as described in note 32 to the financial statements.

52. In the current biennium, one trust fund and five sub-trust funds were established, bringing the combined total at 31 December 1997 to 15. Of particular note is the trust fund on the role of UNIFEM in eliminating violence against women. The status of these sub-trust funds is shown in schedule 7.1.

United Nations Revolving Fund for Natural Resources Exploration

53. The highlight of UNRFNRE activities in 1997 was the successful completion of offshore exploration for heavy mineral sands in southwestern Sri Lanka.

54. The Fund is embarking on a new direction that will focus on the environmental dimension of mineral resource development. In this regard, copies of guidelines on environmentally sound mining activities were distributed to all UNDP country offices and permanent missions to the United Nations. UNRFNRE has compiled a synthesis on the rapid mining legislative framework in Asian countries, which will also be distributed to UNDP country offices.

55. In the biennium under review, however, contributions decreased by 44 per cent when compared with the previous biennium. The Fund has diversified the source of voluntary contributions and every effort is being made to attract more contributions.

United Nations Fund for Science and Technology for Development

56. UNFSTD will soon be closing its activities. Meanwhile, \$200,000 was received in contributions for 1996–1997 (the same level as in 1994–1995), which was fully expended (1994–1995 expenditure amounted to \$1.0 million).

Chapter II

Report of the Board of Auditors

Summary

The Board of Auditors has audited the operations of the United Nations Development Programme (UNDP). The Board has also validated the financial statements of UNDP for the biennium ended 31 December 1997, and carried out reviews of how UNDP manages its cash, property, information technology and the process of change.

The Board's main findings are as follows:

(a) Owing to the absence of audit reports from some Governments, there was insufficient audit assurance in relation to \$520 million of national execution expenditure. The Board has therefore restricted the scope of its audit opinion in this respect;

(b) UNDP made a provision of \$14.1 million, and wrote off \$2.6 million against this provision, for potential and actual losses incurred on its Reserve for Field Accommodation;

(c) UNDP provided agencies with advances, of which a total of some \$89 million remained outstanding at the end of 1997; the Board considered that, had UNDP limited the advances to one month's expenditure, this outstanding balance could have been reduced by \$61 million;

(d) Field offices had provided advances to Governments totalling \$43.1 million in respect of projects for which financial reports were outstanding for previous periods;

(e) UNDP had secured rent-free accommodation in only 43 out of 136 countries, despite the requirement of its standard agreement with host countries;

(f) The UNDP budget for its 1994–1999 information management programme (excluding staff costs) almost doubled between December 1996 and May 1997, from \$24 million to \$47 million;

(g) Monitoring reports on information management projects do not identify expenditure incurred;

(h) UNDP was heavily reliant on a single firm of consultants for its information technology programme; contracts with this firm were let or extended without competitive bidding, and contract terms were not sufficiently related to outputs;

(i) Although UNDP has been addressing the year 2000 issue since 1996, much remains to be done in 1998–1999 before UNDP can be assured that its computer systems will not malfunction at the millennium change;

(j) UNDP did not assess the financial benefits expected to flow from its change programme;

(k) Despite shortcomings in the performance of its main firm of consultants used in the change management process, UNDP continued to employ the head of the firm as a consultant, without competitive bidding.

Key recommendations made by the Board are that UNDP should:

(a) Examine the scope for reducing the extent to which agencies are funded in advance, and where possible move to a system of reimbursing actual expenditure, thereby reducing cash flow risks and improving financial control;

(b) Reassert its current policy with regard to seeking rent-free office accommodation;

(c) Standardize its procedures for investment appraisal of information technology projects to take full account of financial and non-financial benefits, as well as operational requirements;

(d) Ensure that all systems are tested for year 2000 compliance, with sufficient lead time to correct any deficiencies;

(e) Assess the financial and non-financial benefits expected to flow from its change programme and use this assessment to carry out a full investment appraisal of the change initiative.

A list of all the main recommendations is included at paragraph 10 of the present report.

A. Introduction

1. The Board of Auditors has audited the financial statements of the United Nations Development Programme (UNDP) for the period from 1 January 1996 to 31 December 1997, in accordance with General Assembly resolution 74 (I) of 7 December 1946, and article XII of the Financial Regulations of UNDP. The audit has been conducted in conformity with common auditing standards of the Panel of External Auditors of the United Nations, the specialized agencies and the International Atomic Energy Agency (IAEA). These standards require that the Board plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

2. The audit was conducted primarily to enable the Board to form an opinion as to whether the expenditures recorded in the financial statements for the period from 1 January 1996 to 31 December 1997 had been incurred for the purposes approved by the governing bodies; whether income and expenditures were properly classified and recorded in accordance with the Financial Regulations and Rules; and whether the UNDP financial statements presented fairly the financial position at 31 December 1997. The audits were conducted at UNDP headquarters in New York and at country offices in Costa Rica, Uruguay, Peru, Bulgaria, Turkey, Viet Nam, the Philippines, Saudi Arabia and Uganda, and at the Inter-Agency Procurement Services Office (IAPSO) in Copenhagen. The Board considers that its approach provides a reasonable basis for its opinion.

3. The Board's examination included a general review of financial systems and internal controls and a test examination of accounting records and other supporting evidence, to the extent the Board considered necessary to form an opinion on the financial statements of UNDP.

4. In addition to its audit of the accounts and financial transactions, the Board carried out reviews under article 12.5 of the Financial Regulations of the United Nations. The reviews primarily concern the efficiency of the financial procedures, the internal financial controls and, in general, the administration and management of UNDP. In the biennium 1996-1997, the Board examined cash management; property management; information management systems; and management of change.

5. The Board continued its practice of reporting the results of specific audits in management letters containing detailed observations and recommendations to the Administration.

6. The present report covers matters that, in the opinion of the Board, should be brought to the attention of the General Assembly. The Board's observations and conclusions were discussed with the Administration, whose views, where appropriate, have been reflected in the present report.

7. The Board's main recommendations are reported in paragraph 10. The detailed findings are presented in paragraphs 11 to 151.

1. Previous recommendations not fully implemented

8. In accordance with section A, paragraph 7, of General Assembly resolution 51/225 of 3 April 1997, the Board reviewed recommendations made in previous reports and confirms that UNDP has taken appropriate action to implement those recommendations that were made in the Board's report relating to the biennium 1992-1993.

9. In accordance with General Assembly resolution 48/216 B of 23 December 1993, the Board also reviewed measures taken by UNDP to implement the recommendations made

by the Board in its audit report for the biennium ended 31 December 1995. Details of the actions taken and the comments of the Board are set out in the annex to the present report.

2. Main recommendations

10. The Board's main recommendations are that UNDP:

- (a) Establish clear separation of duties between requisitioning, receipt of goods and maintenance of inventory records (para. 36);
- (b) Take action to amend its financial regulations to require exchange losses to be charged as expenditure, as implied by United Nations Accounting Standards, paragraph 29, and in line with practice adopted by United Nations Headquarters (para. 38);
- (c) Monitor returns on investments against prevailing market rates (para. 45);
- (d) Examine the scope for reducing the extent to which agencies are funded in advance, and where possible move to a system of reimbursing actual expenditure, thereby reducing cash flow risks and improving financial control (para. 53);
- (e) Develop and adopt key performance indicators to assess the effectiveness and efficiency of field offices and headquarters in managing their real estate. These indicators should include unit cost measures relating directly to the objectives specified in an estate management strategy (para. 68);
- (f) Reassert its current policy with regard to seeking rent-free office accommodation for field offices (para. 81);
- (g) Prepare a forward plan for maintenance and alterations work to the premises it occupies (para. 84);
- (h) Collect and analyse energy cost and consumption data for its premises, in order to facilitate comparisons and to identify wastage and excessive costs (para. 86);
- (i) Standardize its procedures for investment appraisal of information technology projects to take full account of financial and non-financial benefits as well as operational requirements (para. 99);
- (j) Ensure that all systems are tested for year 2000 compliance, with sufficient lead time to correct any deficiencies (para. 124);
- (k) Assess the financial and non-financial benefits expected to flow from its change programme and use this assessment to carry out a full investment appraisal of the change initiative (para. 140);
- (l) Develop appropriate performance indicators and measures to assess specific change implementation activities, relating these directly to the main objectives of the change process (para. 150).

B. Financial issues

1. United Nations Accounting Standards

11. The Board assessed the extent to which the UNDP financial statements for the biennium ended 31 December 1997 conform to the United Nations Accounting Standards. The review indicated that the presentation of the financial statements is generally consistent with the standards.

2. Format of financial statements

12. In January 1997, the Executive Boards of UNDP, UNFPA and UNICEF presented proposals to the Advisory Committee on Administrative and Budgetary Questions for harmonizing their biennial support budgets. The intention was to produce comparable and transparent budget information. The harmonization was based on the premise that the total resources of the three organizations could be divided into two major groups: regular resources and other resources. Regular resource activities are those financed from voluntary contributions, donations from governmental sources and related interest earnings and miscellaneous income. Other resource activities include those where funds are received for a specific purpose, trust funds established by the Administrator and management service agreements. The Board notes that UNDP presented its statements for the biennium 1996–1997 on this basis.

3. Programme expenditure incurred by Governments and executing agencies

13. The UNDP financial statements include details of expenditure incurred on the organization's behalf by executing agencies and by Governments. This information is based on annual expenditure statements certified and submitted to UNDP each year. For each nationally executed project, UNDP prepares a combined delivery report that shows all the expenditure incurred during the calendar year. This is sent to the respective Governments for certification by their independent auditors whose audit reports are sent to UNDP.

14. United Nations agencies are required to provide a financial statement for every project that they undertake on behalf of UNDP. These statements are supported by audit reports or letters of reliance from the agencies' own external auditors. The audit reports and letters of reliance are intended to provide confirmation that the UNDP funds have been accurately reported and properly expended.

15. The Board relies on the work of other external auditors, as evidenced by the audit reports and letters of reliance, to gain adequate assurance that the funds advanced to executing agencies and Governments, and reported in the UNDP financial statements, have been properly expended on UNDP projects. In 1996–1997, \$2,708 million was expended under these arrangements.

Audit reports from executing agencies

16. The Board has received audit reports or letters of assurance from the executing agencies in respect of expenditure incurred through executing agencies, which totalled \$772 million. The Board noted a small number of minor differences between the expenditures reported in the final audited statements and schedules 2 and 2.1; however, these are not significant and do not have an impact on the audit opinion.

Audit reports from Governments

17. For the audit of 1996 national execution expenditure, the Office of Audit and Performance Review drew up an audit plan which aimed to ensure sufficient audit coverage on a country- by-country basis. The Office received responses and audit reports from 83 country offices for 1996 expenditure. In 1997, the government coordinating authorities, in consultation with the UNDP country offices, took over responsibility for drawing up the audit plan and submitting it to the Office. At mid-May 1998, the Office had still to receive audit plans from eight country offices.

18. In schedule 2 of the financial statements, UNDP reports expenditure of \$1,936 million on nationally executed projects for 1996–1997, an increase of 71 per cent compared with

the \$1,135 million incurred on national execution in 1994–1995. Taking into account the additional audit assurance provided by the Board's audit of direct payments, and the letters of assurance from the external auditors for the cooperating agencies, the Board had sufficient assurance to support expenditure of \$1,496 million of the national execution expenditure for the biennium. For the remainder, representing some \$520 million, for which no audit reports had been received, the Board had insufficient audit assurance and has accordingly restricted the scope of its opinion to exclude this expenditure. While this represents an increase in absolute terms compared with 1994–1995, when the Board reported that audit reports had not been received in respect of \$366 million of national execution expenditure, the Board notes that the proportion of national execution expenditures covered by audit reports increased from 68 per cent in 1994–1995 to 73 per cent for 1996–1997.

19. Regarding the \$366 million of national execution expenditure for which no audit reports were received in 1994–1995, the Board was unable to assess the extent to which UNDP had subsequently received these outstanding audit reports, because UNDP had destroyed all audit reports relating to the biennium 1994–1995.

20. **The Board recommends that UNDP retain for at least two bienniums all audit reports received on national execution expenditure to enable the Board to complete its audit of those reports that had not been received in the previous biennium.**

4. Inactive projects

21. At 31 December 1997, there was a total of some \$11.8 million of advances to Governments that had been outstanding for more than a year (\$10.6 million for UNDP projects and \$1.2 million for trust fund projects). This was made up of outstanding advances on approximately 400 projects, some of which related to projects that had been inactive throughout the biennium 1996–1997. In a sample of 75 such inactive projects, the Board found that 35 had been reported as financially complete; 18 had been operationally complete for more than a year; and 22 were officially still active, but had not reported expenditure for more than six years. The Board welcomes the UNDP action to create a team to follow up these long-outstanding balances, but is concerned that there are inadequate arrangements for monitoring and closing completed projects. UNDP informed the Board that it will take action to close all projects with no movement for two years.

22. The Board will keep this matter under review.

5. Reserve for Field Accommodation

23. In its report on the 1994–1995 financial statements, the Board expressed concern about the management of the Reserve for Field Accommodation. UNDP shared these concerns and took a number of initiatives in 1996–1997 to address the main problem areas.

24. In 1996, the Bureau for Finance and Administration conducted an in-depth review of the Reserve for Field Accommodation. This review was based on work done by an international accounting firm, and took account of a supplementary investigation undertaken by the Division for Audit Management and Review. The Bureau identified a number of balances on the statement of assets and liabilities that were either not sufficiently represented by physical assets or, in the case of loans and rehabilitations, were unlikely to be recovered. The total of these balances was estimated to be about \$14.1 million.

25. UNDP accordingly included in the 1996–1997 financial statements (schedule 6.3) a provision of \$14.1 million for these potential losses. Against this provision it wrote off amounts totalling \$2,595,197, relating to a loss of \$1,760,454 on the sale of the Cape Verde

apartments; construction costs of \$379,105 for housing in Equatorial Guinea; and unrecoverable rehabilitation costs of \$455,638 for housing in Chad.

26. UNDP informed the Board that it remained committed to its policy of disposing of housing wherever possible. In 1997, it had sold the Cape Verde apartments to the Government for \$1.3 million, payable in 15 annual instalments, and three houses in Namibia for \$90,000.

27. In 1996, UNDP established a special payments review committee, with the participation of the United Nations Office of Legal Affairs, to review outstanding claims from contractors, which stood at \$5.6 million at 31 December 1995. In August 1997, UNDP re-employed the international accounting firm to assist in reviewing these outstanding claims. Based on the recommendations of the consultants and the special payments review committee, UNDP paid \$2.9 million of the outstanding claims. Of the remaining \$2.7 million outstanding as at 31 December 1997, UNDP approved \$0.5 million for payment in 1998 and had yet to decide on \$2.2 million.

28. In its report on the 1994–1995 financial statements, the Board expressed concern that payments had been made by country offices to contractors on direct instructions from the certifying officer at headquarters and without first being confirmed by an approving officer. UNDP subsequently examined the certifying and approving officer functions to ensure that such gaps in control were closed. It has started a thorough review of certification and approval practices throughout headquarters units to clarify and re-emphasize the key elements of proper financial control and to ensure that internal checks and procedures are properly exercised and controlled. UNDP informed the Board that this review was part of a wider effort to address financial control issues across the organization and to take short and medium-term measures that would prevent similar failures occurring in future. The Board welcomes these actions by UNDP.

29. In its report on the 1994–1995 financial statements, the Board noted that UNDP had received only \$3.65 million of the \$12.2 million then estimated by UNDP as due from participating agencies in settlement of their share of expenses for construction projects of the United Nations system common premises. At 31 December 1997, UNDP had not received any further amounts from these agencies. In November 1997, UNDP informed the Board that it was undertaking a detailed review of the amounts due from the participating agencies, based on the final construction costs of the premises. Once this had been completed, it would issue statements to the agencies, setting out full details of what they owed. At June 1998, UNDP was still finalizing these statements.

30. In 1996, the Division of Audit Management and Review, assisted by the Bureau for Finance and Administration, began an investigation into the management of the Reserve. Over 40 individuals were interviewed or asked to complete questionnaires on matters concerning the Reserve. Thus far, two staff members have been dismissed, and 16 others have been subject to disciplinary or managerial accountability action. The matter has also been referred to the Office of Internal Oversight Services, which is investigating the actions of contractors and staff with a view to prosecution in respect of apparent irregularities in contracting.

6. Inter-Agency Procurement Services Office

31. During its audit of the biennium 1994–1995, the Board recommended that the Inter-Agency Procurement Services Office (IAPSO) should report on its activities to the Executive Board, seeking reaffirmation of its mandate as a centre for research and development on procurement related activities and as a provider of procurement services

to organizations of the United Nations system. The Board notes that the Executive Board, at its first regular session in 1996, fully endorsed the IAPSO mandate.

32. The direct procurement services provided by IAPSO have grown substantially in recent years. In 1996–1997, IAPSO procured equipment worth \$111.6 million and generated reimbursable support services income of \$5.7 million (disclosed in schedule 6.4 to the financial statements) by charging a handling fee to customers. The Board is pleased to note that UNDP has disclosed the full procurement activities of IAPSO in the 1996–1997 financial statements.

7. Inventory control of non-expendable property

33. Financial rule 114.28 requires the maintenance of property records and provides for physical inventories to ensure adequate control of such property. A computerized system was implemented at headquarters in 1995 and the field office inventory system has been in operation since 1993. The value of non-expendable property at 31 December 1997, as disclosed in note 2 (g) to the financial statements, was \$25.6 million for headquarters and \$68.8 million for the country offices. However, the Board considers that these values are based on incomplete information. Nine of the headquarters divisions and 44 of the 135 field offices failed to provide up-dated details of their inventory for inclusion in the financial statements at 31 December 1997. The Board considers that UNDP should take firmer action to ensure that all inventory returns are received.

34. The Board was concerned to note that in several headquarters units the same staff member was responsible for requisitioning equipment, receiving it and maintaining the inventory record. This failure to separate duties represents a serious internal control weakness.

35. The Office of Audit and Performance Review examined the headquarters inventory system in 1997 and found major control weaknesses. It concluded that UNDP should consider replacing the system with an application linked to an automated procurement system. UNDP informed the Board that it intended to develop the inventory module of the Integrated Management Information System (IMIS) to incorporate the audit office findings. The Board welcomes this development.

36. The Board recommends that UNDP establish clear separation of duties between requisitioning, receipt of goods and maintenance of inventory records.

8. Other income

37. Net other income decreased from \$31.8 million in 1994–1995 to an excess of expenditure over income of \$30.8 million in 1996–1997. The main reason for this reversal was that the 1994–1995 figure included a net gain on exchange of \$29.6 million, while the 1996–1997 figure included a net loss on exchange of \$28.8 million. The Board considers that UNDP should present the position more transparently in the financial statements, and that losses on exchange, except for exchange losses on voluntary contributions, should be charged as expenditure rather than netted off against other income. The Board accepts that exchange losses arising from voluntary contributions may properly offset the income.

38. The Board recommends that the UNDP financial regulations be amended to require exchange losses arising other than from voluntary contributions to be charged as expenditure, as suggested by United Nations Accounting Standards, paragraph 29, and in line with practice adopted by United Nations Headquarters.

9. Write-off of losses of cash, receivables and property

39. During the biennium 1996–1997, UNDP wrote off non-expendable property totalling \$4,062,784, valued at purchase price. Items written off included vehicles, computer equipment and furniture and fittings. The amounts written off included \$2,595,197 relating to the Reserve for Field Accommodation. The Board was also provided with details of write-offs of cash and receivables amounting to \$53,510. The Board is satisfied with the information and explanations provided in respect of these cases.

10. Ex gratia payments

40. UNDP reported ex gratia payments of \$22,596 during 1996–1997.

C. Management issues

1. Cash management

Background

41. In 1996–1997, UNDP and the funds and programmes it administers received income of some \$4.7 billion and incurred expenditure of \$4.5 billion on operational and other activities. At 31 December 1997, UNDP held an investment portfolio valued at \$1.9 billion. The make-up of UNDP income has been changing over the last three bienniums: core income has progressively declined and total income has slowly increased. The primary cash management objective of UNDP is to preserve the value of its financial resources in United States dollar terms; UNDP does not borrow funds and the main focus of its cash management activity is therefore to maximize the interest earned on invested cash surpluses. UNDP also performs central cash management services for the United Nations Population Fund (UNFPA) and UNOPS.

42. Against this background, the Board examined the following UNDP operations: cash management policies and guidelines; processes for raising and collecting donor contributions; monitoring and controlling of advances; management of the operational reserve; and management of investments and banking arrangements and controls.

43. The Board's review centred on UNDP headquarters but visits were also made to nine country offices (in Bulgaria, Costa Rica, Uruguay, Peru, Saudi Arabia, Uganda, Viet Nam, the Philippines and Turkey) to examine cash management practices and procedures in the field.

Cash management policies and guidelines

44. The UNDP Financial Rules and Regulations cover the administration of financial resources, including the operational reserve, banking arrangements and currency management. The UNDP Finance Manual sets out the policies and procedures for day-to-day financial management. In addition, cash management guidelines, produced by the Treasury Division, set out the investment and currency management objectives and principles under which UNDP centrally manages the funds entrusted to it.

45. UNDP has not established arrangements to monitor the rate of return on investments against market rates. The Treasury Division is aware of the need to benchmark the cash management activity and has informally benchmarked its investment management performance against external comparators. **The Board recommends that UNDP monitor returns on investments against prevailing market rates.**

Income from contributions

46. In 1996, nearly two thirds of UNDP total income came from 21 major donor countries (members of the Organisation for Economic Cooperation and Development (OECD) and the Development Assistance Committee) and one third from some 135 programme (recipient) countries. Ten OECD countries were responsible for 45 per cent of the total income of UNDP and more than 80 per cent of the general fund income of UNDP in 1996.

47. Between 1992 and 1996, the total managed annual income of UNDP increased by 43 per cent, from \$1.7 billion annually to \$2.4 billion. However, UNDP regular resources declined from \$1.1 billion in 1992 to \$852 million in 1996. UNDP attributed the decline in its regular resources to the fact that major donors had restricted their voluntary contributions and had become more selective in the areas they wished to support. UNDP is considering two main ways to increase its regular resources: by increasing efficiency and transparency and thus making the organization more attractive to major donors; and by demonstrating to potential donors that countries, assisted by regular resources, are potential economic partners; and by a resource mobilization strategy, adopted in 1995, with the aims of intensifying fund raising activity, seeking more diverse sources of funding, and introducing innovative financing arrangements. The UNDP Executive Board has set the organization a target to increase its regular resources to \$1.1 billion annually for each of the three years 1997 to 1999. The Board notes that in 1997 UNDP received \$761 million in regular resources, falling short of the target by \$339 million.

Collection of contributions

48. The Board reviewed the collection of contributions by UNDP from its major donors for 1996 and 1997. Although the year-end position for 1996 and 1997 was good, with only 3 per cent and 2 per cent, respectively, of pledges outstanding at the year end, the timing of receipts was considerably delayed. In addition, the amounts actually received against pledges were uncertain because most Governments had given only estimated pledges at the conference, some Governments had reduced or increased their pledges during the year, and exchange rate movements had eroded the value of most national currencies against the United States dollar.

49. For 1997, the \$857 million originally pledged was reduced to \$767 million at year end as a result of revisions to pledges and movements in the exchange rates. Of that amount, \$385 million (50 per cent) was outstanding at the start of the last quarter and \$101 million (13 per cent) was outstanding at the start of December, all but \$18 million of which was received by 31 December. The Board considers that UNDP should examine ways in which to encourage donors to honour their pledges earlier in the year, in order to secure a smoother in-year cash flow.

Advances to agencies and Governments

50. UNDP advances funds to Governments and agencies to pay, in whole or in part, for the execution of UNDP-assisted projects under its various programmes. Year-end balances of funds not yet expended by Governments and agencies for executing projects have increased significantly in recent years, mainly because of the move towards national execution as the primary means of project delivery. At 31 December 1997, the total balance of advances to Governments and executing agencies in respect of all UNDP programmes and other funds was \$270 million (\$255 million at 31 December 1996 and \$193 million at 31 December 1995), an increase of \$77 million (40 per cent) over two years, and reflecting the significant increase in the level of national execution expenditure. The pattern of advances to Governments and agencies is given in table 1.

Table 1
Year-end balances of advances to agencies and Governments from the General Fund, 1993-1997
 (Millions of United States dollars)

	1993	1994	1995	1996	1997
Advances to Governments	36	61	87	119	151
Advances to agencies	68	63	87	110	89
Total	104	124	174	229	240

Advances to agencies

51. UNDP advances money to agencies on a monthly basis through a bloc grant process. The UNDP Financial Rules state that advances to agencies should not exceed the level needed to cover a reasonable period of foreseen cash requirements. The Board carried out an agency-by-agency analysis of advances outstanding at 31 December 1996. Out of 38 agencies analysed, 14 (37 per cent) held balances of advances greater than \$1 million, and 21 (55 per cent) held balances greater than \$100,000. Twelve agencies (32 per cent) had credit balances for sums owed by UNDP.

52. The Board reviewed the reasonableness of individual balances by comparing them with expenditure demands. Assuming a monthly forward requirement to be a reasonable funding demand, the overall level of balances was nearly two-and-a-half times more than the average monthly expenditure over the previous 12-month period. This suggests that the over-advancement of funds amounted to some \$61 million. **The Board recommends that UNDP define a "reasonable period of foreseen cash requirements" for its advances to agencies and regularly review the balances held.**

53. The Board found that UNDP forecasts of agency funding requirements were heavily dependent on the agencies' own forecasts. Under this arrangement, UNDP takes the agencies funding forecasts largely on trust. **The Board recommends that UNDP examine the scope for reducing the extent to which agencies are funded in advance, and where possible move to a system of reimbursing actual expenditure, thereby reducing cash flow risks and improving financial control.**

Advances to Governments

54. At 31 December 1996 and 31 December 1997, the net balances of advances to Governments on the UNDP general fund were \$119 million and \$151 million, respectively (see table 1 above). The Board carried out a country-by-country analysis of balances on advances outstanding at 31 December 1996. Of 146 countries and funds analysed, 19 (13 per cent) held net balances of advances greater than \$1 million and 82 (56 per cent) held net balances greater than \$100,000. Twelve countries (8 per cent) held net credit balances for sums owed by UNDP. The Board compared the individual balances with expenditure demands and found that the overall level of balances for advances was some 12 per cent higher than average quarterly expenditure demands over the previous year. This suggests over-advancement of funds totalling about \$12 million.

55. The Board reviewed the UNDP system for monitoring and controlling advances to Governments. The advances are to cover estimated cash requirements for the ensuing three months, itemized on a project-by-project basis. Before processing a Government's request for funds, resident representatives are required to ensure that the advance requested is

reasonable and that the necessary government disbursement reports and status of funds reports have been received for all prior periods. Resident representatives must verify the accuracy of the reports and send copies to UNDP headquarters in New York.

56. Under the arrangements in operation in 1996–1997, UNDP field offices were permitted to give advances to Governments, providing that no more than two previous quarters' financial reports were outstanding. The Board found that in 1996–1997 advances totalling \$43.1 million had been made by field offices while financial reports remained outstanding for previous periods. The Board notes that the revised procedures of UNDP for national execution, issued in 1998, only permit field offices to give advances to Governments on receipt of completed and signed financial reports covering the previous quarter. The Board will monitor compliance with this important requirement.

Management of the operational reserve

57. The UNDP operational reserve exists to guarantee the financial viability and integrity of the organization. The level of the reserve is set by the Executive Board, and is changed periodically. Since 1990 the reserve has been set at 20 per cent of the estimated voluntary contributions or 20 per cent of projected expenditure, whichever is higher. The composition of the reserve is periodically reviewed by the UNDP Investment Committee. Use of the reserve is limited to cover downward fluctuations or shortfalls of income, increases in costs, uneven cash flows and other contingencies that result in loss of resources for which UNDP has made programming commitments.

58. In 1997, the level of the operational reserve was \$200 million, in accordance with the established formula. UNDP has used its operational reserve on only one occasion in the past three bienniums, in April 1994, when the delayed receipt of contributions necessitated the temporary utilization of \$6.6 million.

59. In 1997, UNDP engaged consultants to review the level of its operational reserve. At the time of the audit UNDP was planning to present proposals to the Executive Board at its September 1998 session.

Management of investments

60. UNDP managed a total investment portfolio valued at \$1.9 billion at 31 December 1997. The organization earned investment income of \$202 million in 1996–1997. As well as managing its own investments, UNDP manages those of other funds, trust funds, UNFPA and UNOPS.

61. UNDP operates established procedures and controls for its management of investments, based on the objectives of achieving safety of deposits, flexibility to meet monthly liquidity requirements, and maximization of income. UNDP invests monies temporarily surplus to its operational requirements in a number of interest-bearing accounts. The bulk of its investments were in time deposits and in bonds and notes, primarily United States dollars.

62. UNDP revised its short-term investment policy and guidelines in November 1996 to reflect more fully risk management considerations. The revised guidelines made some new provisions, including a higher level of overnight investments to meet unexpected cash outflow needs; use of higher-rated institutions to minimize settlement and delivery risks on transactions; and reducing exposure to currency fluctuations. The Board endorses these actions.

2. Premises management

Background

63. UNDP occupies offices in 136 countries to accommodate some 5,000 staff worldwide. It also administers living accommodation in 26 countries to house internationally recruited staff in the field. At 31 December 1996, UNDP had capitalized expenditure of some \$53 million in respect of the costs of purchase, construction and rehabilitation of offices and housing. UNDP expenditure on premises-related items (rent, maintenance, alterations, custodial services and utilities) was around \$20 million a year between 1993 and 1996, about half being incurred by headquarters and half by the field offices (see table 2). UNDP is currently rationalizing its headquarters structure and plans progressively to transfer up to 20 per cent of its international headquarters staff from New York to the field. UNDP also has an important role to play in helping to take forward a United Nations proposal that all United Nations funds and programmes at country level should operate in United Nations common premises.

Table 2
Summary of annual expenditure on premises-related activity, 1993–1996
(Millions of United States dollars)

	1993	1994	1995	1996
Headquarters				
Rental	9.0	8.1	9.1	8.8
Maintenance	0.5	1.2	0.9	0.4
Alterations	0.4	0.3	0.7	0.2
Subtotal	9.9	9.6	10.7	9.4
Utilities	0.8	0.6	0.8	0.8
Total	10.7	10.2	11.5	10.2
Country offices				
Rental	5.1	5.1	3.9	4.6
Custodial	1.4	1.4	1.3	1.5
Maintenance	0.9	0.9	0.7	0.9
Alterations	1.5	0.9	0.5	0.5
Subtotal	8.9	8.3	6.4	7.5
Utilities	1.6	1.6	1.7	2.6
Total	10.5	9.9	8.1	10.1
UNDP worldwide				
Rental	14.1	13.2	13.0	13.4
Custodial	1.4	1.4	1.3	1.5
Maintenance	1.4	2.1	1.6	1.3
Alterations	1.9	1.2	1.2	0.7
Subtotal	18.8	17.9	17.1	16.9
Utilities	2.4	2.2	2.5	3.4
Total	21.2	20.1	19.6	20.3

64. The United Nations Development Group's Sub-Group on Common Premises and Services is responsible for overseeing each common premises project, including planning, design, financing, construction and management. One of the Sub-Group's terms of reference was to make recommendations on present and future construction or renovation needs, taking into account budget limitations and benefits of sharing common premises. The Sub-Group has contracted an international real estate management company to devise a common premises methodology, including forecasting the projected combined needs of the in-country United Nations funds and programmes; cost benefit analysis; management of common premises and services; and apportionment of costs.

65. Against this background, the Board examined the extent to which UNDP operated appropriate mechanisms to manage its real estate strategically, and whether it met its premises needs economically, having regard to making best use of the areas occupied. The audit focused on: strategic planning and management of premises assets; common premises and services; acquisition and disposal of premises; rental arrangements and expenditure; maintenance and alterations; monitoring and control of expenditure on utilities; and planning and allocation of office space. The Board's examination at UNDP headquarters was supplemented by visits to eight countries to review premises management in a variety of field conditions.

Management information

66. Country office records generally hold details of floor plans, the space occupied by UNDP, the condition of premises and the numbers of staff accommodated. The UNDP database at headquarters contains information on the location, ownership, rental and sharing of country office premises, and any planned developments.

67. For its headquarters premises, UNDP maintains cost and space information about the buildings occupied, but has no reliable data on the number of staff in occupancy. Without this information, however, the Board considers that UNDP is not in a position to carry out adequate monitoring and comparative analysis of expenditure and space utilization. **The Board recommends that UNDP maintain information on occupancy levels of its headquarters buildings in order to help control and monitor costs.**

68. Biennial budget submissions were scrutinized by the Budget Section, which subsequently monitored expenditure against the sums approved. Individual proposals for new leases and significant capital expenditure are also subject to close examination. However, UNDP has not yet developed any objectives, targets or performance criteria against which to measure the effectiveness and efficiency of its premises management. **The Board recommends that UNDP develop and adopt key performance indicators to assess the effectiveness and efficiency of field offices and headquarters in managing their real estate. These indicators should include unit cost measures relating directly to the objectives specified in an estate management strategy.**

69. UNDP informed the Board that its recent acquisition of the Aperture facilities management software will provide an effective tool to manage future UNDP premises and, through the lease database module, will facilitate management of field premises.

Common premises and services

70. Since 1987, the General Assembly, in successive resolutions, has called upon United Nations organizations and bodies to work together to coordinate their administrative and financial activities in the field and, where possible, to share their accommodation. In July 1997, the Secretary-General proposed that all United Nations entities, funds and programmes with missions at country level should operate in common premises under a single flag. In

1997, out of a total official presence in 136 countries, UNDP occupied common premises with other United Nations agencies in 49 countries and shared common services with others at some 30 duty stations.

71. The UNDP approach to promoting shared arrangements in the field was first to seek agreement with other agencies on common services and then to look for common premises to suit those needs. Draft guidelines on common premises and services, prepared by UNDP real estate consultants in September 1997, contains principles and practices for cost apportionment between agencies sharing premises and services in the field. **The Board welcomes these developments and recommends that UNDP finalize and issue the guidelines on common premises and services without delay.**

72. At the field offices visited by the Board in 1997, agreements on the nature and costs of shared facilities and services had been secured between UNDP and the other agencies concerned. The sharing of costs between agencies at the locations visited was based on space occupancy or consumption data, depending on the type of facilities or services shared.

Acquiring and disposing of premises

73. The UNDP standard basic assistance agreement with host Governments requires them to furnish the necessary office space and other premises required by UNDP and to assist in finding suitable housing accommodation for international personnel. The UNDP policy on procuring new office premises is primarily to seek rent-free accommodation under the standard basic assistance agreement. If this obligation cannot be met, UNDP may seek leased accommodation, with the host Government's assistance; it may own premises it has purchased or constructed; and it may lease space in commercial premises. When procuring office premises, UNDP seeks common premises solutions wherever practicable.

Office premises

74. During 1996, UNDP rented office premises in 88 countries at a total cost of \$4.6 million (see table 2 above) and occupied 43 country offices rent free. It also rented four headquarters premises in New York for \$8.8 million. At 1 November 1997, UNDP owned office premises in five countries, valued at some \$7 million. At 31 December 1997, the total capitalized value of office premises constructed by UNDP was \$26.4 million.

75. UNDP resident representatives are responsible for developing property proposals, including the evaluation of costs and benefits; and the Division of Administrative and Information Services is responsible for technical requirement scrutiny. Under UNDP Financial Rules, proposals to procure new premises for \$100,000 or over must be scrutinized by the Headquarters Contracts Committee before approval. Proposals to renew existing leases over \$100,000 are submitted to the Committee for information only.

76. The Board reviewed all submissions to the Headquarters Contracts Committee in 1996–1997 for the procurement of premises. It welcomed the use of standard guidelines for the content and format of submissions and endorsed the use of engineers and architectural consultants to assess contentious proposals.

77. The Board found, however, that the submissions varied widely in the extent to which they explored alternative options and justified the preferred procurement. The need for new premises was set out as background, rather than in a succinct statement of requirement. No submissions analysed accommodation need by comparison with UNDP space standards. Cost/benefit analyses included relevant costs, but tended not to be supported by specific non-financial factors, such as improved security and better office conditions. Cost/benefit analyses often compared the preferred option only with the existing situation, with little

or no detail about options considered and discarded. The Board considers that there was scope to tighten and sharpen presentation and analysis.

Housing

78. As at 31 December 1997, the total capitalized value of housing assets constructed or rehabilitated by UNDP was \$18.1 million. UNDP policy on housing provision is for staff to make their own living arrangements and to be compensated by various allowances for the costs of securing accommodation in the field. Host Governments have an obligation to help internationally recruited field staff to find suitable housing; but where programme delivery might be impaired because suitable accommodation is not available, UNDP may take certain measures, including construction, house purchase and leasing. In January 1995, however, the Executive Board decided that UNDP should seek to divest itself of its housing assets where there was no business need for them, such as to provide safe accommodation when there were internal security problems.

79. The Board examined UNDP progress in disposing of its housing stock. In 1994–1995, UNDP disposed of 112 housing units and in 1996–1997 (to 30 September 1997) had disposed of a further 88 units, reducing its housing estate worldwide by 200 units (36 per cent) over four years. As at 31 December 1997, UNDP was administering 356 housing units in 25 countries, compared with 556 units in 36 countries at 1 January 1994. UNDP owned 54 of the housing units, leased 278 from Governments and leased 24 commercially. The Board encourages UNDP to maintain its programme of disposing of the remaining housing for which no business need can be demonstrated.

Rental arrangements and expenditure

80. From 1993 to 1996, UNDP paid some \$9 million a year to rent its headquarters premises and some \$5 million in rent and \$1.4 million in custodial services for its 136 field office premises (see table 2 above). In addition, UNDP estimates that in 1996 the total value of offices and related facilities provided in kind by host Governments was some \$6 million and the total cost of UNDP offices and related facilities in the field was some \$16 million. UNDP field office rental and other administrative costs were recovered, in whole or in part, by means of each host Government's cash contribution towards UNDP local office costs. In 1996, these cash contributions totalled some \$19 million, of which some \$7 million had to be transferred from voluntary contributions because Governments defaulted on making direct local office cost contributions.

81. UNDP was provided with rent-free office premises in only 43 of 136 country offices. The Board is concerned at the relatively low availability of rent-free office accommodation occupied by UNDP, given the terms of the standard basic assistance agreement and UNDP policy statements. **The Board recommends that UNDP strengthen its efforts to implement its current policy with regard to seeking rent-free office accommodation.**

82. The Board's review of new leases in field offices in 1996–1997 confirmed that UNDP compared local market rents with rents paid by other organizations in the same country location. In all the cases examined, UNDP paid rents at the same, or slightly below, reported market levels for comparable premises and independent assessments had been sought in some cases.

83. The four UNDP headquarters premises cost \$10.2 million in 1996 in rental and running costs. UNDP plans to move 20 per cent of its Professional headquarters staff (about 60 personnel) to country locations by 31 December 1999, and thereby secure rental savings at headquarters.

Maintenance and alterations

84. UNDP planning for maintenance and alterations work was largely geared to the two-year budget cycle and there were no longer term plans. The Board considers that adequate long-term planning of maintenance and alterations is essential to secure value for money, and to demonstrate to host Governments that UNDP is minimizing local office costs. In this respect UNDP did not carry out periodic inspections of premises to update records of building condition and help determine the need for preventive maintenance. UNDP tended to carry out work on an ad hoc or reactive basis. For example, the Board noted that UNDP expenditure on maintenance at headquarters tended to fluctuate year by year (see table 2 above), ranging from \$1.2 million in 1994 to \$0.4 million in 1996. **The Board recommends that UNDP prepare a forward plan for maintenance and alterations work to the premises it occupies.**

Utilities expenditure

85. Over the period 1993–1996 expenditure on utilities has been relatively constant, averaging some \$750,000 a year. Field office expenditure on utilities was also relatively steady between 1993 and 1995, although it increased steeply in 1996 by some \$900,000, from \$1.7 million to \$2.6 million (see table 2 above).

86. The Board considers that UNDP could make more use of its data on utilities costs. For example, details of energy consumption are available at field office level and within headquarters, but are not analysed for energy management purposes or to compare similar premises and their energy costs. **The Board recommends that UNDP collect and analyse energy cost and consumption data for its premises, in order to facilitate comparisons and to identify wastage and excessive costs.** UNDP informed the Board that its acquisition of the Aperture facilities management software will allow for meaningful analysis to be done regarding premises management.

Space planning and allocation arrangements

87. At 31 December 1997, UNDP occupied some 320,000 square feet in its four headquarters premises, providing accommodation for some 1,300 personnel, including staff members, consultants and other non-staff members working with UNDP. Most staff are accommodated in the DC1 and FF buildings, where space occupancy in October 1996 averaged between 150 and 190 square feet per person. UNDP does not know the total area occupied in its 136 country offices, where some 4,000 staff are accommodated. At the field offices visited by the Board, space occupancy generally fell in the range of about 150 to 200 square feet per person.

88. UNDP has defined space standards for country offices, which allocate space by staff grade. The Board reviewed space occupancy and utilization at the country offices it visited and considered that space standards were generally adhered to. However, the varied configuration of premises occupied by UNDP in the field sometimes meant that space standards could not always be strictly applied.

89. UNDP does not apply area-based space standards at its headquarters premises. The Board considers that the absence of an area-based standard impedes efficient and economical space planning. **The Board recommends that UNDP establish organization-wide standards for space occupancy, with standards flexed to take account of job function within grade.**

90. The Board notes that UNDP plans to bring all its headquarters staff together into two buildings, the DC1 and FF buildings. In the meantime, the Division of Administrative and

Information Services has been examining the scope for a more rational distribution of headquarters units and commissioned two space planning studies by external consultants, one in November 1996 and the other in October 1997. The first study highlighted an unevenness of space utilization in the UNDP headquarters premises, to which UNDP has responded by experimenting with open plan and team space occupancy arrangements and the allocation of rooms based on job function rather than grade. The Board welcomes these initiatives to create a more rational allocation of accommodation at headquarters.

3. Information management systems

Background

91. UNDP headquarters operates 15 major computer systems and both it and the country offices also use a wide variety of bought-in software and internally developed personal computer applications. At the end of 1997, UNDP had a networked personal computer on almost every desk at headquarters and in all but 10 of its 136 country offices worldwide. Since 1990 it has spent nearly \$100 million on information management systems at headquarters and in the field. The UNDP budget for expenditure on information technology in 1996–1997 was some \$21.2 million; for 1998–1999 it is \$24.6 million.

92. In March 1994, UNDP adopted an information technology strategy which is currently being implemented by means of a Financial Information Management (FIM) project. UNDP has also committed itself to adopt and implement the IMIS applications that are being developed for the United Nations Secretariat. The FIM and IMIS projects together are intended to provide a framework for the introduction of integrated information systems throughout the organization by 1999. In June 1998, UNDP adopted a revised information technology strategy, setting out the general direction over the period 1998–2001.

93. Against this background, the Board examined progress on the FIM and IMIS projects; procurement of information technology services; and the year 2000 issue.

94. The Board undertook its review mainly at UNDP headquarters, but also visited offices in nine countries to review information technology facilities, developments and skills at field level.

Progress on the information management system projects

95. All current information systems development is being undertaken under the FIM and IMIS projects. The FIM project comprises a group of sub-projects relating mainly to the management of programmes by country offices and headquarters; its major component project is the field office financial information management system. The IMIS project comprises a group of sub-projects relating to central corporate finance and administrative and human resources management systems; its major component project is the finance application. The Board reviewed UNDP progress during 1996–1997 in delivering the FIM and IMIS projects to planned cost, time and specification.

96. UNDP estimates of the overall costs of its 1994–1999 information management programme almost doubled between December 1996 and May 1997, from \$24 million to \$47 million: the estimated cost of the FIM/IMIS projects rose from \$15 million to \$29 million and the estimated cost of system maintenance increased from \$9 million to \$17 million. These costings excluded the costs of UNDP staff. UNDP attributed these increases to two factors: a more accurate definition of information management requirements, which have grown over time; and the inclusion of costs which managers had previously excluded because they were not clearly predictable.

97. In May 1997, UNDP calculated that it needed some \$3 million more than budget to meet expenditure on planned FIM systems development in that year. Operational needs and delivery priorities for FIM projects were consequently reassessed to keep spending within budget. At April 1998, UNDP had a planned expenditure requirement for the IMIS project of about \$1.5 million above the budget allocation.

98. The Board is concerned at the inaccuracy of these initial budgets and suggests that UNDP exercise more care in budget preparation, drawing on lessons learned from past errors.

99. The Board noted that many projects were justified mainly by operational need. Financial and non-financial benefits were seldom identified and taken fully into account in the statement of case. **The Board recommends that UNDP standardize its procedures for investment appraisal of information technology projects to take full account of financial and non-financial benefits, as well as operational requirements.**

100. Project monitoring reports do not identify or analyse expenditure against estimates and budgets. The Board considers this a serious omission, which weakens cost control and makes project managers less accountable for their performance. **The Board recommends that UNDP ensure that project status reports include summaries of project expenditure against lifetime and biennial budgets.**

101. The Board examined project delivery for the FIM application, and three major sub-projects (the headquarters Project Financial Management System (PFMS); the Executive Information Management System (EIMS); and the Electronic Document Management System (EDMS).

Financial Information Management

102. The FIM application is the UNDP country office system for operational programme management and the means by which field data are transferred to the UNDP central database. It consists primarily of an expenditure module, which will be progressively released in 1998 to UNDP field offices; and a budget module, which, although originally planned for implementation in January 1997, was not in fact made available until July 1997, nearly six months behind schedule and then to only about two thirds of the UNDP country offices. Several planned functions and enhancements also had to be left out in order to speed up implementation. By April 1998, the budget module was installed in 70 countries, but in full use by only 5 of them. Full implementation of both modules is not expected until the end of 1998.

103. The Board is concerned at the delays in implementing this key financial application and at the low take-up. **The Board recommends that UNDP encourage country offices to begin operating the budget module at the earliest opportunity.**

104. The Board was unable to establish how much UNDP had spent on the FIM project to date or what it expected to spend in total. In April 1997, UNDP estimated the total external costs of FIM would be over \$10 million for the six-year period 1994–1999.

Project Financial Management System

105. PFMS records and reports operational programme information about project budgets and expenditures. UNDP developed an enhanced reporting module for PFMS during 1995 and 1996, using its own staff for design and analysis work and contracting out the development work to a consultant for \$248,000. UNDP had planned to implement the module in March 1996 but did not do so until December 1996, nine months behind schedule. The delay was mainly owing to technical development problems.

106. UNDP envisaged that the FIM system would be able to exchange data with PFMS, thereby eliminating the inefficient and time-consuming manual entry into PFMS of project budget data received from country offices. In February 1996, a target date of 1 January 1997 was set to establish full data transfer between the two systems. Owing to delays in the design and development of FIM, the interface was not implemented until November 1997, however, 10 months later than target. By April 1998, only four country offices were transferring data between the systems. Some offices were reluctant to take on the extra data entry work required by PFMS; and for some offices UNDP headquarters had to screen and clean the FIM system data.

107. In April 1997, UNDP estimated the total external cost of the PFMS project between 1994 and 1999 to be some \$1.1 million. Because the UNDP financial systems did not report costs by project, the Board was unable to establish whether the different elements of the project had been delivered to planned cost.

Executive Information Management System

108. The EIMS project was intended to provide senior management with selected information to improve high-level decision-making and to highlight matters requiring senior management attention. Senior management's information needs were surveyed between June 1995 and January 1996 and in May 1996 UNDP engaged consultants to develop a prototype system by the end of 1996. In April 1997, UNDP estimated the total costs of the project would be some \$1.6 million.

109. The slow progress of the project was largely due to the many changes made during 1996 to the design and specification of the system prototype. At the end of 1996, UNDP had spent \$774,000 on the project, excluding UNDP staff costs, before deciding to terminate it in 1997. The Board is concerned at the high level of spending and design effort invested in the EIMS project to produce a prototype system that had to be abandoned.

Electronic Document Management System

110. The EDMS project was a feasibility and pilot study to develop an improved filing system and determine the best technology for supporting this. The project was planned to begin in February 1996, with UNDP-wide implementation from January 1998 onwards, at a total cost of \$1.7 million, excluding UNDP staff costs. By January 1997, the project was running behind schedule and was still in its design phase, mainly because the definition of user requirements had taken much longer than expected. In mid-1997, UNDP decided to put EDMS on hold: the design work had been completed at that point and over \$800,000 had been spent on the project. UNDP plans to continue developing the system when more resources are available.

Integrated Management Information System project delivery

111. The IMIS project comprises four main elements: finance, human resources, entitlements and payroll. UNDP estimated in December 1997 that the finance application would cost some \$5 million over the five-year period 1995–1999 to develop and implement. UNDP expects to implement the application progressively between July 1998 and January 1999, one to two years later than originally planned. The human resources application was implemented in February 1996 at a cost of \$2.6 million; and the entitlements and payroll elements, both running some two years late, are now expected to be implemented in June 1998 and early 1999, respectively, at a combined estimated cost of some \$1.1 million. It is particularly important that the financial application should be ready by January 1999 as it is expected to address the year 2000 problem for the UNDP main systems.

112. UNDP is implementing IMIS in collaboration with the United Nations Secretariat, UNICEF and ILO. The parties consult and agree on common software design and enhancements to ensure there is no significant divergence of common functions. UNDP progress with IMIS also depends on the implementation timetable of the United Nations Secretariat. The Board noted that, although the Secretariat originally expected to implement its IMIS applications in 1994, this is not now expected to be complete until 1999. The United Nations group of applications has also had to be adapted by UNDP to meet all its headquarters' requirements.

Procurement of information technology services

113. The general aim of UNDP has been to use internal staff to manage systems development as much as possible, bringing in technical consultants for such discrete tasks as programme design, programme conversion and the development of desk procedures and training. This strategy seeks to retain and promote in-house expertise. UNDP has sought to procure technical services either under fixed price contracts (e.g., for software) or on a time and materials basis (e.g., for systems design and analysis). It aims to make maximum use of off-the-shelf systems, adapted to UNDP needs, rather than involving full-scale customized design.

114. In practice, during 1996–1997 UNDP was heavily reliant on a single firm of consultants for the development of its IMIS systems, although it sought to reduce this dependency by using its own staff and bringing in resources from other firms. In developing the IMIS human resources application, UNDP drew roughly half of its resources from the firm of consultants and the other half from other external consultants and in-house staff. A similar balance was being achieved in the development of the IMIS finance application. The Board supports UNDP efforts to reduce its dependency on a single firm.

115. UNDP first contracted with the firm of consultants in 1994 to support the development and implementation of the human resources and entitlements modules. Since then, UNDP has periodically extended the original contract to cover development work on other IMIS applications. Successive contract extensions define the work required and the price agreed for each systems development stage. In January 1996, UNDP applied a blanket waiver of competitive bidding for these contract extensions on the grounds that the firm of consultants was developing IMIS for the United Nations Secretariat and no other firm could enter the process without threatening the integrity of common software development. The UNDP Headquarters Contracts Committee endorsed this waiver on condition that the fee charged by the contractor continued to be priced at the standard rate for contracts of the Government of the United States of America with the United Nations. UNDP informed the Board that the value of the IMIS contract was \$460,000 during the biennium 1996–1997, and the contract value for 1998 was some \$2.9 million with the same contractor.

116. The Board found that the contract for technical support for UNDP development of the FIM global budget module, valued at \$562,302, had also been awarded to the same firm of consultants under a waiver of competitive bidding. This waiver was proposed on the grounds that the procurement was extremely urgent and was approved by the Headquarters Contracts Committee in June 1996 on condition that contracts for subsequent development phases be put to competitive bidding.

117. The Board found that for both the IMIS and FIM contracts the firm of consultants was engaged to supply hours and not to deliver specific products. The contractor also billed UNDP monthly for time spent instead of being paid on the achievement of agreed targets or milestones. **The Board recommends that UNDP should ensure that future contracts provide for payments to be linked to the achievement of specific targets and goals.**

Year 2000 issue

118. The Board undertook a study to assess the preparedness of UNDP for managing the year 2000 issue, which threatens all information systems.

119. In 1997, UNDP formulated a strategy for dealing with the year 2000 issue, and also assigned specific roles and identified a focal point. UNDP has issued guidelines to help individual units and local managers to assess their year 2000 exposure, and set up a web-site with information about the year 2000 problem. From its visits to country offices, the Board found that awareness of the issue varied and local managers generally viewed the problem as one that affected mainly headquarters systems.

120. The UNDP review of the likely extent of the problems concluded that the main risks were in its headquarters mainframe systems; and this diagnosis was confirmed by later analysis, which estimated the total cost of recoding the mainframe computer programmes at about \$2 million. UNDP was in the process of replacing three of its headquarters systems, the investment subsystem, local staff pension fund and budget formulation, with new, year 2000 compliant, systems.

121. UNDP considered a number of options for addressing the year 2000 issues, from recoding flawed software to purchasing, substituting or developing a replacement system. It concluded that recoding its year 2000 non-compliant software was not viable for its mainframe systems and decided the best way forward was to implement the IMIS finance application early in 1999. UNDP also identified the need to convert a number of finance-related systems, and was in the process of replacing its vendors and personal computer applications during the period 1998–1999 with year 2000 complaint systems.

122. At the end of 1997, however, UNDP was still investigating and assessing the extent of possible year 2000 issues in its vendor and personal computer applications, at headquarters and in the field. It plans to supply all its country offices with analytical software to assess the extent of year 2000 problems and to establish, by the end of 1998, a complete picture of the need for conversion or replacement of systems and equipment during 1999. UNDP also plans to deal with some of the problems in country offices and headquarters through its existing systems upgrade programme.

123. UNDP had made variable progress in identifying and mitigating the impact of year 2000 issues for the general office systems and equipment it utilizes, such as security systems, elevator systems and air conditioning systems. With its telecommunications systems, for example, UNDP plans to ensure its supplier certifies its equipment for year 2000 problems. UNDP plans to have all systems made year 2000 compliant by April 1999.

124. The Board considers UNDP is leaving itself with considerable system rectification or procurement work to do in 1999. UNDP risks significant organizational and administrative disruption should it fail to have systems fully proofed against the year 2000 problem or to have devised ways to work around its effects. **The Board recommends that UNDP ensure that all systems are tested for year 2000 compliance, with sufficient lead time to correct any deficiencies.**

4. Change management

Background

125. UNDP has committed itself to a programme of integrated organizational and managerial change. This initiative – known as “UNDP 2001” – is expected to cost about \$21 million over the four years 1996 to 1999. The aim is to align the UNDP vision and mission more closely with its structures and procedures, thereby enabling the organization to respond more effectively to demands from programme countries and to maintain and

improve its position as a provider of development aid. The guiding principle of UNDP in the change process is decentralization and the empowerment of its staff, which is expected to lead to greater accountability, to a strengthened organizational structure and to improvements in operational and administrative efficiency and effectiveness.

126. Major elements of the UNDP 2001 programme include the establishment of up to 17 subregional facilities, the transfer of 20 per cent of headquarters Professional staff to country locations, the adoption of simplified and more robust business procedures and the introduction of a new accountability framework. All these changes are being undertaken against the background of wider reform at the United Nations.

127. Against this background, the Board reviewed the UNDP change initiative at its half-way stage, focusing on progress achieved to date; costs and benefits of the initiative; how the change process was being managed; and monitoring and evaluation of results. The Board mainly examined the work of the various project teams at UNDP headquarters, but it also visited nine country offices to assess the impact of the change initiative in the field.

Progress with the change management initiative

128. The UNDP change process comprises two main stages: design and implementation. The design stage included a five-month preparatory phase (March to July 1996) to establish a framework for the change process; and a mapping and analysis exercise (July 1996 to May 1997), based on specific projects, to identify change options and draw up initial implementation plans. Implementation began in May 1997 and is expected to continue until 31 December 1999.

129. This timetable is longer than had originally been envisaged in May 1996, when the whole change initiative was expected to last 18 months, from February 1996 to November 1997. This forecast had to be substantially revised in May 1997, when the results of the mapping exercise showed that UNDP had significantly underestimated the scale of business reengineering likely to be required.

130. The Board reviewed overall progress with change implementation. Major actions achieved by 31 December 1997 included:

- (a) Reducing the number of business units from 15 to 7;
- (b) Bringing together the functions of planning, budgeting, human resources and information management;
- (c) Establishing an operations support group to help coordinate UNDP field operations and streamline policies and procedures;
- (d) Design of a new accountability framework for UNDP;
- (e) Delegation of project approval authority to field offices.

131. However, the Board found a number of areas where implementation had been slower than envisaged:

- (a) Although 5 of the 17 new subregional facilities were to have been established by 31 December 1997, these are not now expected to be operational until mid-1998;
- (b) The decentralization to field offices of the recruitment and management of medium and longer-term consultants took three months longer than expected;
- (c) UNDP had planned to introduce by July 1997 a five-day response time for headquarters' dealings with country offices. Final implementation proposals are not now to be considered until September 1998.

132. While recognizing the significant progress achieved, the Board considers it important to maintain momentum by adhering to a tight timetable.

Cost estimates

133. UNDP estimated the total cost of the initiative in May 1997, and subsequently established budgeted costs for discrete phases and elements of the initiative as they evolved. UNDP initially estimated expenditure of \$4.4 million for an 18-month change initiative programme, comprising \$3 million for design and \$1.4 million for implementation. The estimate for implementation included only those costs UNDP was relatively certain about. The Board calculates that UNDP spent some \$5 million on the change process from May 1996 to December 1997, \$3.4 million on the design stage and \$1.6 million on initial implementation. UNDP plans to spend some \$16.5 million on implementation in the biennium 1998–1999, making the total cost to the organization some \$21.5 million on current plans.

134. UNDP is funding most of the change management costs from existing biennial budgets and a trust fund for the implementation of change. In May 1997, UNDP identified a funding gap of some \$6.6 million, which by April 1998 had increased to \$9 million, some \$3 million of which is expected to be met by donors. The Board notes that a \$6 million to \$9 million funding deficit represents a shortfall of between a third and a half of total estimated costs.

135. The Board recommends that UNDP establish clear arrangements for funding the full costs of the change management initiative.

Change process management

136. In April 1996, UNDP set up a separate organization to manage the design stage of UNDP 2001, the aim being to ensure that the change process could be progressed without disturbing normal business activities. The organization comprised:

- (a) A Change Management Committee responsible for providing direction and guidance;
- (b) The UNDP 2001 core team responsible for day-to-day management of the change process;
- (c) Seven change project teams, responsible for carrying out individual change projects to agreed specification, timetable and budget.

137. The UNDP 2001 core team prepared outline project briefs in June 1996, which included a time-frame for mapping and analysis work, specified the aims and activities for each of the seven projects and considered the links between them. The project profiles also included brief statements of success criteria, which the project teams were expected to develop as the work progressed. The Change Management Committee considered it important that all projects should be evaluated on the basis of clear results-based measures.

138. The project teams were all operational by August 1996 and submitted their reports to the Change Management Committee in December 1996. The seven change projects were:

- Funding strategies and partnerships;
- Strategic development services;
- Efficiency, results orientation and accountability;
- Management and organization structure;
- Human resource development;

- Information needs management and technology;
- External communications and public affairs.

139. Proposals emerging from the projects were subsequently considered by the Executive Committee, which adopted 71 change project recommendations in January 1997. During March and April 1997, the UNDP 2001 core team produced a consolidated implementation plan, which set target dates, identified the units responsible for implementation and provided cost estimates. The plan also set milestones for each implementation phase to enable the Executive Board to monitor progress and assess the impact of the changes made.

140. The Board found that, generally, the financial benefits expected from the change process had not been identified. No detailed or aggregate quantification of benefits was included in the change project submissions, or the framework document or the implementation plan. The Board is concerned that without this information UNDP will not be able to identify the key changes most likely to improve efficiency and effectiveness. **The Board recommends that UNDP assess the financial and non-financial benefits expected to flow from its change programme and use this assessment to carry out a full investment appraisal of the change initiative.**

Compacts

141. UNDP has instituted three types of compacts: between the Administrator and the lead change units; between regional directors and resident representatives; and between individual units. The first two are a mandatory feature of the new UNDP management and accountability arrangements. The compacts detail the change process and ongoing business objectives and provide a baseline for annual accountability and performance measurement. The 11 compacts between the Administrator and the lead units responsible for implementing change actions were signed between February and May 1998.

142. The Board reviewed these compacts and fully supports UNDP inclusion in them of specific, time-bounded and agreed objectives and actions. The Board also welcomes UNDP efforts to establish success indicators.

Involvement of management and staff

143. From the outset UNDP intended that participation would be a key feature of the UNDP 2001 initiative and sought to manage the change process so as to involve the widest possible number of its staff in discussions. Nearly 200 UNDP staff were closely involved during the design stage of the UNDP 2001 initiative and some 400 individual staff contributed to the change process by means of workshops, feedback sessions and informal communication.

144. In 1996, UNDP carried out a global staff and management opinion survey during the design stage of the change initiative in 31 country offices and 11 organizational units at headquarters, and involved over 1,200 UNDP staff. The survey indicated that most staff were in favour of decentralization of responsibility and authority to the country level. The Board welcomes such surveys as an important means of monitoring staff attitudes during the change process and as a source of information to assist UNDP in its evaluation of that process in due course.

145. At the country office level, resident representatives and managers at the field offices visited by the Board were clear about the direction of the UNDP 2001 initiative and generally welcomed the organizational and cultural changes proposed.

Management of external consultants and advisers

146. UNDP engaged some 13 different firms or individuals as external consultants during the design stage of the UNDP 2001 initiative. The UNDP approach was to employ consultants either as change process facilitators or for specific change project exercises, retaining ownership and control of the change process within UNDP itself.

147. The UNDP contract with its main consultants did not set out the number of contracted work days to be spent on specific activities: it merely specified an overall ceiling. The Board considers that this provided poor control, failing to address the risk that unnecessary or excessive work might be undertaken in some areas without UNDP being able to detect and correct it.

148. UNDP ceased employing its main change consultants in August 1996, in part because UNDP had not been completely satisfied with the work of the individuals provided. It did, however, retain the services of the chairman of the firm on a fixed-fee basis, at a total cost not to exceed \$200,000 for the period from September 1996 to May 1997. His continued presence was regarded as essential to sustain the momentum and continuity of the change process, and because of his stature in the industry. The fee rate negotiated was independently assessed for reasonableness by a firm of accountants.

149. The Board is concerned at some aspects of this contract, particularly following the unsatisfactory performance of the firm, which the individual headed. In addition, the Board considers that UNDP could have done more to assess and demonstrate the value for money of this appointment, for example, by more fully assessing the merits of going out to competitive tender.

Monitoring and evaluation of the change process

150. UNDP plans to undertake a full evaluation of the change process between July and September 1999. In the meantime, the Board considers there is scope for UNDP to develop key performance indicators for major change management activities and outcomes, and to include them in the implementation plan and compacts between the Administrator and line units as an aid to future monitoring and evaluation. In the Board's view, current performance indicators and performance measures in the implementation plan and the compacts are weak and in need of further refinement. The Board also considers that relevant performance indicators should be linked directly to the objectives of the change process. **The Board recommends that UNDP develop appropriate performance indicators and measures to assess specific change implementation activities, relating these directly to the main objectives of the change process.**

5. Cases of fraud and presumptive fraud

151. The Board was informed of 39 cases of fraud involving amounts totalling \$694,776, of which UNDP has recovered \$191,687. In 6 of the cases UNDP had yet to determine the amount of the fraud, and in 10 of the cases UNDP was satisfied that no financial loss had occurred. In each of the 35 cases involving staff members, disciplinary action was taken.

D. Acknowledgment

152. The Board of Auditors wishes to express its appreciation for the cooperation and assistance extended to its staff by the Administrator and staff of the United Nations Development Programme.

(Signed) Vijay Krishna **Shunglu**
Comptroller and Auditor General of India

(Signed) Osei Tutu **Prempeh**
Auditor-General of Ghana

(Signed) Sir John **Bourn**
Comptroller and Auditor General of the
United Kingdom of Great Britain
and Northern Ireland

15 July 1998

Annex

Follow-up on action taken by the United Nations Development Programme to implement the recommendations of the Board of Auditors in its report for the biennium ended 31 December 1995^a

I. Recommendation

1. UNDP should supplement its existing approach by ensuring that all [national execution] projects with significant expenditure are audited independently (paras. 9 (a)).

A. Measures taken by the Administration

2. UNDP agreed to review the audit strategy and possible changes required to financial regulation 17.2, concerning the external audit of national execution projects. The audit strategy suggested by the Board of Auditors for the 1996 audit exercise has been implemented as scheduled. The Office of Audit and Performance Review, and the Bureau for Finance and Administrative Services undertook a review of financial regulation 17.2, and concluded that no changes were required.

B. Comments of the Board

3. The Board welcomes the implementation of the new audit strategy. However, the Office of Audit and Performance Review received insufficient audit reports for the biennium 1996-1997 and the Board comments on this in more detail in its present report.

II. Recommendation

4. UNDP should establish appropriate controls to coordinate and monitor payments made in the field and at headquarters [for the construction contracts under the Reserve for Field Accommodation] (paras. 9 (b)).

A. Measures taken by the Administration

5. UNDP has established a working group to address the breakdown in controls, including monitoring and oversight. UNDP is examining the certifying and approving officer functions. With respect to the Reserve for Field Accommodation, all payments for construction contracts are subject to review by a special payments review committee. The Bureau for Finance and Administrative Services Policy and Control Unit has developed and is piloting a specific policy on expenditure control. The Policy and Control Unit is responsible for the design and maintenance of a risk management programme, an important part of which is a new internal control framework. The specific policy on expenditure control is a first step towards the development of the new internal control framework, which is designed to be self-regulating. This action aims at a long-term sustainable effort to ensure effective financial control.

^a *Official Records of the General Assembly, Fifty-first Session, Supplement No. 5A (A/51/5/Add.1), chap. II, paras. 9-14.*

B. Comments of the Board

6. The Board welcomes the establishment of the Special Payments Review Committee to monitor payments to contractors. The Board comments on further measures taken by UNDP in its present report.

III. Recommendation

7. UNDP should ascertain whether any payments to contractors, subcontractors or the architect were outside the terms of the contracts and, if so, should take appropriate recovery steps (paras. 9 (c)).

A. Measures taken by the Administration

8. In February 1996, UNDP engaged an architect to provide an independent assessment of the construction works. UNDP started an in-depth review into the contractual arrangements with the architect in question and his performance under the contracts. UNDP has ascertained that payments were made in some instances outside the terms of the contract. Recovery steps are pending the outcome of the investigation by the Office of Audit and Performance Review and the Office of Internal Oversight Services (OIOS).

B. Comments of the Board

9. The Board notes the UNDP commitment to recovering payments made outside the terms of the contract and awaits the outcome of the investigation by the Office of Audit and Performance Review and OIOS.

IV. Recommendation

10. UNDP needs to establish standards of the capacities of Governments to manage and deliver national execution projects. Country offices, in association with Governments, need to assess Governments' existing capacities against those standards (paras. 10 (a) and (b)).

A. Measures taken by the Administration

11. UNDP will set standards for capacity assessments as part of its policy document on national execution and will issue better-defined capacity assessment guidelines as part of its revised programme and projects manual. UNDP has developed a capacity checklist for national execution to be used in the design phase of a project. This checklist covers standards for capacity in the managerial, technical, finance and administrative areas.

B. Comments of the Board

12. The Board is pleased to note that standards have been set and that these are set out in a checklist. The Board will monitor how the standards are applied.

V. Recommendation

13. UNDP, in association with Governments, needs to formulate projects designed to deal with any gaps or weaknesses in Governments' capacities to bring them up to the required standards (para. 10 (c)).

A. Measures taken by the Administration

14. UNDP has initiated regional workshops to strengthen the capacity of country offices and Governments in procurement activities. In 1996, UNDP organized three regional workshops on monitoring and evaluation and was also developing arrangements with the World Bank to train senior officials in programme countries in monitoring and evaluation. UNDP has developed a list of requirements for execution ("capacity checklist for national execution") to be used in the design phase of a project. This list is intended as a tool to help find solutions to enhancing these capacities. Support for global training in conjunction with the new procedures on national execution is envisaged. Preparations for training on the new procedures are in progress.

B. Comments of the Board

15. The Board notes these developments, including the establishment of workshops on monitoring and evaluation, and looks forward to seeing the formulation of projects designed to address gaps or weaknesses in government capacities.

VI. Recommendation

16. The objectives of national execution should be clearly defined to provide a closer link with overall development aims of UNDP (para. 11 (a)).

A. Measures taken by the Administration

17. UNDP concurred with the need to establish clearly-defined objectives for national execution and was preparing a policy document for submission to the Executive Committee, which would address this issue and define a clearer strategy for the further expansion of national execution. The revised national execution procedures, which were issued in March 1998, explicitly state the agreed objectives of the Consultative Committee on Programme and Operational Questions as objectives for national execution. The new national execution procedures will be incorporated in the programming manual during 1998.

B. Comments of the Board

18. The Board will review these developments.

VII. Recommendation

19. UNDP should issue new guidance on national execution which reflects all the relevant legislation and national execution's objectives and which strengthens and delineates UNDP accountability requirements (para. 11 (b)).

A. Measures taken by the Administration

20. UNDP is revising the programme and projects manual in order to simplify procedures, reconcile conflicting instructions and eliminate ambiguities concerning national execution. Revised procedures for national execution were issued in March 1998, and will be incorporated in the manual.

B. Comments of the Board

21. The Board will review the programme and projects manual when it is finalized.

VIII. Recommendation

22. UNDP should re-emphasize the need to assess Governments' capacity to undertake national execution projects. UNDP should develop capacity assessment guidelines, incorporating standards of Governments' capacity to undertake national execution projects, [and provide training to country offices and Governments] to help them carry out strategic capacity assessments (paras. 11 (c) and (d)).

A. Measures taken by the Administration

23. UNDP agreed that national capacity assessments needed to be strengthened in terms of scope, frequency and quality and that roles and responsibilities needed to be clarified. UNDP will set standards for capacity assessments as part of its policy document on national execution and will issue better-defined capacity assessment guidelines as part of its revised programme and projects manual.

B. Comments of the Board

24. The Board looks forward to the issue of the policy document, which will set standards for capacity assessments.

IX. Recommendation

25. UNDP should establish an evaluation strategy to provide a comprehensive assessment of the progress and achievements of national execution (para. 11 (e)).

A. Measures taken by the Administration

26. The UNDP approach consisted of a combination of internal reviews and external evaluations to identify experiences and highlight new issues for subsequent evaluations. The 1997 evaluation workplan prepared by UNDP includes studies on cost-effectiveness, sustainability and self-reliance. UNDP submitted to the Executive Board 1997 annual session its strategy for assessing progress and achievement for national execution.

B. Comments of the Board

27. The Board welcomes the evaluation workplan and the strategy for assessing national execution.

X. Recommendation

28. UNDP should initiate thematic evaluations of sustainability, capacity-building and cost-effectiveness, incorporating direct comparisons, where possible, between national execution and other execution approaches (para. 11 (f)).

A. Measures taken by the Administration

29. The 1997 evaluation workplan includes studies on cost-effectiveness, sustainability and self-reliance. The Evaluation Office has looked at issues of sustainability, impact on capacity-building in project evaluations since 1993. Trend analysis and evaluation reports addressing these issues are provided every two years. Furthermore, the Evaluation Office included these issues in the two recent evaluations related to national execution (1995) and co-financing (1996). In 1998, through the evaluation of programme approach, these issues are again being addressed, with comparison between national execution and other modalities.

B. Comments of the Board

30. The Board looks forward to seeing comparisons between national execution and other execution approaches, with assessments of their respective sustainability, capacity-building and cost-effectiveness.

XI. Recommendation

31. UNDP should initiate a further review of the utilization and impact of the Technical Support Services (TSS 2) facility (para. 11 (g)).

A. Measures taken by the Administration

32. The TSS 2 facility will be studied as part of a review of recent experiences of the support cost arrangements. New instructions will include a mandatory requirement for each national execution project to contain budgetary provisions for technical backstopping or participation by a specialized agency in a review of the project during implementation. From January 1997, the Support for Technical Services (STS) facility replaced TSS-2. In planning the use of STS resources, the particular needs of nationally executed projects should be taken into account. Each nationally executed project being planned must be reviewed to ascertain the need for technical backstopping or participation from specialized agencies/commissions. Technical services for monitoring and evaluation would normally apply to large-scale projects and projects of special complexity. The stage of implementation of the project should also be taken into account when planning for the use of STS resources.

B. Comments of the Board

33. The Board is pleased to note these developments.

XII. Recommendation

34. UNDP should develop, in association with the agencies, the information systems required to collect data for national execution performance indicators (para. 11 (h)).

A. Measures taken by the Administration

35. UNDP is giving priority to accelerating the development of appropriate systems for the performance indicators and has engaged a consultant to develop such indicators. UNDP plans to integrate performance indicators for support cost arrangements and national execution with other performance benchmarks for UNDP programmes. UNDP has developed new procedures for national execution. UNDP has also developed guiding principles on how

to develop performance indicators for all projects, whatever the modality of execution may be.

B. Comments of the Board

36. The Board looks forward to further improvements in the development of performance indicators.

XIII. Recommendation

37. UNDP should carry out work measurement exercises of country offices' activities to help strengthen its budgetary formulation process at the local level, provide benchmarking data for country offices and compile standard performance indicators. UNDP should develop a means of reporting achievement of the activities provided for in the budget (paras. 12 (a) and (b)).

A. Measures taken by the Administration

38. UNDP acknowledges the importance of independent work measurement exercises for country offices. UNDP told the Board that one of the projects it was pursuing as part of the management of change initiative concerned the "country office of the future", through which it would review office structures and establish benchmarks and standard performance indicators for country offices. The "country office of the future" project is currently in progress. It is being pursued in the context of implementing UNDP 2001 change management and will include standard performance indicators.

B. Comments of the Board

39. The Board looks forward to further developments in reporting the achievement of activities.

XIV. Recommendation

40. UNDP should ensure that there is a clear and demonstrable analysis of the mandates of the funds and their contribution to all of UNDP corporate objectives (para. 13 (a)).

A. Measures taken by the Administration

41. The Sustainable Energy and Environment Division of UNDP has been developing such an approach for its activities, which include three of the funds reviewed (GEF, the Multilateral Fund for the Implementation of the Montreal Protocol and UNSO). The mandate and the work programme of the funds were reviewed in the context of the Division's Centre of Experimentation and the overall change management process of UNDP. It was decided that the funds related to environment and would remain within the Division/Bureau of Development Policy. This arrangement will be reviewed in one year. The products that result from the work of the funds and their relevance to the four priority areas of UNDP were further clarified in the discussions of narrowing the focus: UNDP core development services. The UNDP contribution in terms of institutional support to the work of UNSO is now fully funded from the global programme. Integrated work planning will continue.

B. Comments of the Board

42. The Board notes these developments.

XV. Recommendation

43. UNIFEM and UNCDF should draw up a strategy, setting out their long-term business objectives and approaches for achieving their mandate and objectives (para. 13 (b)).

A. Measures taken by the Administration

44. UNIFEM presented its business plan for the period 1997-1999 to the UNDP/UNFPA Executive Board in May 1997. The Board endorsed the plan and UNIFEM is now engaged in its implementation. UNCDF continues to implement an action plan that emerged out of the recommendations of a 1996 external capacity assessment. In March 1997, UNCDF published its first annual business plan setting short, medium and long-term business objectives and approaches for achieving the mandate and objectives of the 1995 UNCDF policy paper.

B. Comments of the Board

45. The Board welcomes these developments.

XVI. Recommendation

46. UNDP and UNIFEM should prepare and implement a plan, with a clearly defined timetable, to replace the UNIFEM budget management system with a system which is integrated with UNDP's main financial system (para. 13 (c)).

A. Measures taken by the Administration

47. The Administrator has proposed that UNIFEM replace the budget management system with the UNDP project financial management system. UNIFEM, in consultation with the Bureau for Finance and Administrative Services is moving towards adaptation of FIM to meet the Fund's requirements. In addition, discussions are under way to link the UNIFEM FIM, which is to be developed, to the UNDP project financial management system. This will provide UNIFEM with the necessary control on resource allocation, while the project financial management system will provide detailed information on programme expenditure and reports.

B. Comments of the Board

48. The Board is disappointed that further progress has not been made to ensure full integration of the UNIFEM budget management system with the main UNDP financial system.

XVII. Recommendation

49. UNDP should establish a monitoring and evaluation strategy [for the funds and trust funds], with clearly defined criteria for selecting programmes for joint monitoring reviews and projects for evaluation (para. 13 (d)).

A. Measures taken by the Administration

50. UNDP has recently developed draft terms of reference for monitoring reviews to be undertaken jointly with Governments and the beneficiaries during the course of country programmes. In addition to work under progress with GEF and Capacity 21, UNDP has also refined, with the Montreal Protocol secretariat, their monitoring and evaluation systems.

B. Comments of the Board

51. The Board looks forward to further developments in the establishment of a monitoring and evaluation strategy for the funds and trust funds.

XVIII. Recommendation

52. The Division for Audit and Management Review's non-audit function of updating manuals should be transferred to an operational unit (para. 14 (a)).

A. Measures taken by the Administration

53. Transfer of the non-audit function to the Division for Operational Policies and Procedures was completed in February 1997.

B. Comments of the Board

54. The Board is pleased to note that the function of updating manuals is now undertaken by an operational unit.

XIX. Recommendation

55. In drawing up its plans, the Division for Audit and Management Review should assess and record the resource implications and skills needed for the work proposed, taking account of ad hoc demands (para. 14 (b)).

A. Measures taken by the Administration

56. Workplans of the Office of Audit and Performance Review, formerly the Division for Audit and Management Review, include an assessment of resource implications in both financial and staff time. The adoption of a time reporting system is assisting the Office track the use of staff time and to manage better the application of staff time. Monitoring of consumption of allocated financial resources is ongoing. Coordination amongst UNDP audit sections, as well as between audit services of the United Nations system, have resulted in savings. The office, in cooperation with UNESCO, used UNDP/Office of Audit and Performance Review contracting experience as a means to reduce the cost of contracting for audit services in several offices in Africa.

B. Comments of the Board

57. The Board is pleased to note these improvements.

XX. Recommendation

58. The Division for Audit and Management Review should clearly document the criteria used to select subjects proposed for review; the criteria should include materiality, known and potential risks and the timelines of the proposed audit (para. 14 (c)).

A. Measures taken by the Administration

59. The work plan for 1997 was developed taking into account the responses to a client consultation.

B. Comments of the Board

60. The Board will review these changes in due course.

XXI. Recommendation

61. All audit sections should produce long-term audit plans identifying proposals covering their audit fields and any resulting resource changes needed (para. 14 (d)).

A. Measures taken by the Administration

62. The Office of Audit and Performance Review (formerly the Division for Audit and Management Review) anticipated that the implementation of additional regional service centres, further contracting with private sector auditing firms and improvements in the quality and scope of the firms' services would increase the audit coverage of country offices and release Office staff resources to carry out more audits at UNDP headquarters. Using the seven year long-term plan from 1998, a risk model has been used to develop a five-year audit plan. Office training in critical areas has been accomplished, i.e., investigator training seminar (on an inter-agency basis).

B. Comments of the Board

63. The Board welcomes these developments.

XXII. Recommendation

64. The Division for Audit and Management Review should establish standard documentation clearly setting out the audit procedures undertaken and the findings and conclusions, and it should update its permanent files with basic information on the auditees (para. 14 (e)).

A. Measures taken by the Administration

65. This problem was being addressed as part of the quality service initiative of the Office of Audit and Performance Review (formerly the Division for Audit and Management Review). Improvements in the standards of working papers, reports and review were implemented in 1997. The quality service initiative promoted and ensured common understanding and joint ownership of the results whilst adhering to standards for the practice of internal audit.

B. Comments of the Board

66. The Board will review these developments in due course.

XXIII. Recommendation

67. The Division for Audit and Management Review should survey the risks associated with the operation of headquarters computer systems and provide audit coverage as appropriate (para. 14 (f)).

A. Measures taken by the Administration

68. The Office of Audit and Performance Review (formerly the Division for Audit and Management Review) has devoted significant audit services and advisory efforts, commensurate with the risks inherent in computer applications. The recent addition of a staff member with extensive computer auditing skills is noteworthy in this regard.

B. Comments of the Board

69. The Board will review these developments in due course.

XXIV. Recommendation

70. The Division for Audit and Management Review should establish procedures to follow up on actions taken by UNDP and UNOPS in response to internal audit recommendations to demonstrate the improvements made (para. 14 (g)).

A. Measures taken by the Administration

71. The Office of Audit and Performance Review continues to utilize its computer database to record actions and as a basis for follow-up. The Office has completed two follow-up audits on the results of previous management audits of major country offices. Internal audits contracted for 44 country offices in Africa and for 18 country offices in the Arab States include follow-up of prior audit recommendations.

B. Comments of the Board

72. The Board is pleased to note that due attention is being paid to following up implementation of recommendations.

Chapter III

Audit opinion

We have audited the accompanying financial statements, comprising the overview, statements I to IV, schedules 1 to 8, and the supporting notes of the United Nations Development Programme for the financial period ended 31 December 1997. The financial statements are the responsibility of the Executive Director. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Common Auditing Standards of the Panel of External Auditors of the United Nations, specialized agencies and the International Atomic Energy Agency. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, and as considered by the auditor to be necessary in the circumstances, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Executive Director, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the audit opinion.

Except for the effect of any adjustments that may be necessary upon receipt of outstanding audited expenditure statements relating to nationally executed projects, in our opinion, these financial statements present fairly, in all respects, the financial position as at 31 December 1997 and the results of operations and cash flows for the period then ended in accordance with the Programme's stated accounting policies set out in note 2 of the financial statements, which were applied on a basis consistent with that of the preceding financial period.

Further, in our opinion, the transactions of the Programme which we have tested as part of our audit, have in all significant respects been in accordance with the Financial Regulations and Legislative Authority.

In accordance with article XII of the Financial Regulations, we have also issued a long-form report on our audit of the Programme's financial statements.

(Signed) Vijay Krishna Shunglu
Comptroller and Auditor General of India

(Signed) Osei Tutu Prempeh
Auditor-General of Ghana

(Signed) Sir John Bourn
Comptroller and Auditor General
of the United Kingdom of Great Britain
and Northern Ireland

15 July 1998

Chapter IV

**Financial statements for the biennium ended
31 December 1997**

Overview **Income and expenditure for the biennium ended 31 December 1997**

(Thousands of United States dollars)

	Regular Resource Activities		Other Recurrent Activities		Funds Administered by UNDP	
	1996-1997	1996-1998	1996-1997	1996-1998	1996-1997	1996-1998
INCOME						
Contributions	1 621 447	1 636 802	2 679 911	2 037 652	132 864	125 741
Less: Transfer to Biennial support budget	(13 888)	(7 311)	-	-	-	-
Contributions - net	1 608 992	1 628 191	2 679 911	2 037 652	132 864	125 741
Interest income	87 120	95 221	98 179	31 672	-	15 081
Other income - net	(30 768)	31 773	60 762	63 657	24 849	14 973
TOTAL INCOME	1 665 247	1 955 185	2 839 852	2 132 981	176 768	155 795
EXPENDITURE						
Programme	1 191 361	1 022 521	2 389 219	1 624 169	124 013	139 186
Programme support ^a implementing agencies	113 033	100 700	66 399	65 485	4 284	4 066
Programme support ^a to Resident Coordinator	4 810	-	4 190	-	-	-
UNDP sectoral support	11 073	13 259	-	-	-	-
Biennial support budget - net	485 964	489 106	132 302	107 446	34 397	24 016
TOTAL EXPENDITURE	1 807 891	1 625 586	2 591 910	1 797 070	162 694	167 236
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(142 644)	329 599	345 762	335 911	14 332	(11 441)
Write off and provisions/recovery	(14 398)	30	(14 329)	-	-	-
NET INCOME (SHORTFALL) OF INCOME OVER EXPENDITURE	(157 042)	329 629	331 433	335 911	14 332	(11 441)
Savings on prior biennium's obligations	4 756	5 851	1 073	969	97	49
Transfers (net) from reserves	-	(22 400)	-	-	(8 300)	20 800
Refunds to Donors and Transfers to/from other funds - net	(1 633)	(1 781)	(21 438)	1 535	(30)	(70)
Transfer of resources to UNOPS	-	(787)	-	-	-	-
Fund balances, 1 January	410 884	164 236	880 872	614 303	121 020	111 682
FUND BALANCES, 31 DECEMBER	284 923	474 728	1 347 843	814 718	136 931	131 020

Statement I.1

Schedule 7

^a Note 11 and statements IV.1 and IV.2.

The accompanying notes are an integral part of the financial statements.

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Regular Resources		Other Resources		Funds Administered by UNDP	
	1997	1998	1997	1998	1997	1998
ASSETS						
Cash	-	22 003	2 627	3 982	1 492	626
Government letters of credit	-	-	987	6 776	-	-
Investments held for						
Operational Reserve	200 000	200 000			40 800	40 200
Regular Resources	357 487	406 918			132 687	94 766
Coast-sharing	516 076	402 408			-	-
Government Cash Counterpart Contributions (GCCCT)	16 194	10 176			-	-
Funds and Trust funds	101 610	369 982			-	-
Reimbursable support services and miscellaneous activities	244 737	172 076			-	-
Sub total investments	1 015 070	1 561 520	276 149	33 683	101 187	136 966
Total Cash, letters of credit and investments	1 015 070	1 573 523	276 149	44 281	102 687	137 592
Advances						
Operating funds provided to Government's	40 239	62 102	120 894	47 283	1 000	2 481
Operating funds provided to Executive agents	63 671	51 346	36 190	37 562	1 340	1 802
Accounts receivable and deferred charges						
Due from Regular Resources	-	-	1 037 701	944 893	11 082	22 530
Due from Reserve for Field Office Accommodation	17 491	21 407	-	-	-	-
Due from Trust funds established by UNDP	57 509	1 196	-	-	-	-
Due from Trust funds established by UNDP	15 302	216	-	-	-	-
Due from United Nations Population Fund	20 184	12 778	-	-	-	-
Due from United Nations Population Fund	19 039	17 812	26 687	14 094	4 143	4 086
Other accounts receivable and deferred charges	13 212	12 671	17 083	8 496	3 886	1 845
Accrued interest	-	-	-	-	-	-
Long-term accounts receivable	-	-	1 137	-	-	-
Special Capitalized Asset	1 970	-	-	-	-	-
Loans to Government's	-	-	1 824	2 789	5 637	10 194
Construction loans	-	-	46 880	46 483	-	-
Capitalized rehabilitation	-	-	4 721	5 177	-	-
Household Appliance Rental Scheme	-	-	309	333	-	-
Allowance for write down	-	-	(11 934)	-	-	-
TOTAL ASSETS	1 672 927	1 743 050	3 087 330	1 151 603	230 433	180 610

	Regular Resources Activities		Other Resources Activities		Funds Administered by UNDP	
	1987	1988	1987	1988	1987	1988
LIABILITIES						
Operating funds payable to Governments	3 613	4 386	6 764	3 459	129	57
Operating funds payable to Executing Agents	6 393	4 649	27 364	16 459	3 760	1 342
Unliquidated obligations	68 368	28 910	174 811	192 327	7 966	11 870
Management service agreements	-	-	1 223	763	-	-
Accounts payable	48 766	36 305	46 760	34 484	2 484	1 627
Due to Regular Resources from RFA	-	-	17 491	21 407	-	-
Due to Regular Resources from Truar funds	-	-	87 869	1 195	-	-
Due to Regular Resources from Funds	-	-	-	-	18 342	216
Due to Other Resources and Funds						
Coat-sharing	816 074	402 405	-	-	-	-
Government Cash Counterpart Contributions (GCCC)	16 194	10 175	-	-	-	-
Trust funds established by UNDP	283 216	328 627	-	-	-	-
Funds administered by UNDP	11 052	22 536	-	-	-	-
Reimbursable support services and miscellaneous activities	362 217	393 484	-	-	-	-
Sub total - Due to Other Resources and Funds	1 648 783	967 429	-	-	-	-
Due to LDC from Core activities	-	-	-	-	-	-
Due to LDC from Core activities	-	-	-	-	-	-
Due to UNOPS	1 037	678	-	-	-	-
Due to UNOPS	12 970	5 170	-	-	-	-
Due to United Nations Population Fund	-	-	-	-	-	-
Government advances for housing disposal	-	-	910	-	-	-
Agency reimbursement of construction costs	-	-	3 651	3 651	-	-
Reserve for financial measures	134	8 436	-	-	-	-
Reserve for budgeted separations	-	12 357	-	-	-	-
Deferred rental income	-	-	186	107	-	-
Other liabilities	-	-	-	-	6 391	4 286
TOTAL LIABILITIES	1 186 382	1 048 320	334 288	272 851	38 920	19 322
RESERVES AND FUND BALANCES						
Operational Reserve	200 000	200 000	-	-	40 800	40 200
Reserve for Field Accommodation authorized level	-	-	25 000	25 000	-	-
Reserve for Field Accommodation cumulative surplus (deficit)	-	-	-	-	-	-
Special Capital Resources	1 576	474 738	1 197 843	852 718	126 911	121 020
Unexpended Resources	284 978	-	-	-	-	-
Total Unexpended Resources and Special Capital Resources	286 548	474 738	1 197 843	852 718	126 911	121 020
TOTAL RESERVES AND FUND BALANCES	486 548	674 738	1 222 843	877 718	178 411	161 220
TOTAL LIABILITIES AND RESERVES AND FUND BALANCES	1 672 930	1 723 058	1 557 131	1 150 569	210 431	180 542

Statement II.2

Statement II.2

Statement II.2

Statement II.2

Statement II.2

Statement II.2

The accompanying notes are an integral part of the financial statements.

Statement of cash flows for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Regular Resource Acquisition	Other Resource Acquisition	Funds Administered in 1997
CASH FLOW FROM OPERATING ACTIVITIES			
Net excess (shortfall) of income over expenditure Items not involving movement of cash	(157 012)	329 632	16 139
Sub total	(157 012)	329 632	16 139
Add inflows (Less outflows)			
Increase in accounts payable and other liabilities	9 601	11 712	1 922
(Increase) in other accounts receivable	(2 027)	(12 962)	(55)
(Increase) decrease in operating funds provided to Government - net	2 500	(79 076)	696
(Decrease) increase in operating funds provided to Executive agents - net	(10 960)	22 262	9 060
(Decrease) in Reserve for transitional measures	(9 102)	-	-
(Decrease) in Reserve for budgeted separations	(12 157)	-	-
(Decrease) Increase in unliquidated obligations	39 436	(17 616)	(3 926)
Lease interest income	87 120	95 172	19 332
Net cash from operating activities	(226 032)	376 181	(3 635)
CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES			
Add inflows (Less outflows)			
Increase (decrease) in due to other programmes - net	13 800	(40 412)	26 612
Increase in due to United Nations	156	-	-
Increase in due to UNOPS	7 806	-	-
(Increase) in due from UNFPA	(7 416)	-	-
(Increase) in due from UNHCR	(541)	(9 157)	(2 009)
(Decrease) in due to Government	-	-	4 557
Increase from sale of capital assets	1 300	1 300	-
Recovery of capital assets - net	(12 598)	(1 598)	-
Long term receivable	(1 127)	(1 127)	-
Add interest income	67 140	95 172	19 332
Net cash from investing and financing activities	135 129	45 172	62 622
CASH FLOW FROM OTHER SOURCES			
Savings on prior biennium's budgetary refunds to United Nations and Transitional Administration - net	4 156	1 073	97
Movement in operational reserve	(1 870)	14 419	(9 334)
Net cash from other sources	(1 714)	15 492	8 302
NET INCREASE (DECREASE) IN CASH, LETTERS OF CREDIT AND INVESTMENTS	(157 617)	216 842	45 257
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 1 JANUARY	1 576 544	-	622 324
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 31 DECEMBER	1 418 927	216 842	667 581

Statement 11.1 Statement 11.2 Statement 11.3

This statement contains the changes in cash flows for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31
The accompanying notes are an integral part of the financial statements

8 **Movements in fund balances for the biennium ended
31 December 1997**

(Thousands of United States dollars)

	Regular Resources Activities	Other Resources Activities	Funds Administered by UNDP
Balance as at 1 January 1996	474 738	852 718	121 020
Adjustment to opening balance	(35 854)	35 854	-
Adjusted opening balance	<u>438 884</u>	<u>888 572</u>	<u>121 020</u>
Net excess (shortfall) of income over expenditure	(157 012)	329 633	14 132
Savings on prior biennium's obligations	4 756	1 073	97
Transfers (to) from Reserves	-	-	(8 300)
Refunds to Donors and Transfers to/from other funds - net	(1 653)	(21 435)	(38)
Balance as at 31 December 1997	<u><u>284 975</u></u>	<u><u>1 197 843</u></u>	<u><u>126 911</u></u>

The accompanying notes are an integral part of the financial statements.

Statement I

Income and expenditure for the biennium ended
31 December 1997

1.1. Regular resources activities

(Thousands of United States dollars)

	Gross Expenditure		Special Measures for Least Developed Countries (SMDCs)		Total Regular Resources Activities	
	1996-1997	1996-1998	1996-1997	1996-1998	1996-1997	1996-1998
INCOME						
Contributions	3 431 414	1 015 484	13	10	3 431 427	1 015 494
Transfers to Biennial Budget	(1 33 383)	(1 2 311)	-	-	(1 33 383)	(1 2 311)
Contributions net	3 400 031	1 013 173	13	10	3 400 044	1 013 183
Interest income	87 120	95 221	-	-	87 120	95 221
Other income net	(1 30 768)	21 773	-	-	(1 30 768)	21 773
TOTAL INCOME	3 456 383	1 035 166	13	10	3 456 396	1 035 194
EXPENDITURE						
Programme	1 100 461	1 017 164	760	9 163	1 101 221	1 026 327
Programme Support Implementing activities	113 033	100 760	-	-	113 033	100 760
Programme Support to Resident Coordinator	4 010	-	-	-	4 010	-
UNIT sectoral support	13 073	12 259	-	-	13 073	12 259
Biennial support budget net	400 000	400 100	-	-	400 000	400 100
Reparative and maintenance	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURE	1 627 567	1 520 223	760	9 163	1 627 567	1 529 489
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(1 161 087)	514 943	(747)	(9 163)	(162 014)	519 695
Write off and provisions/recovery for assets write down	(1 30 300)	30	-	-	(1 30 300)	30
NET INCOME (SHORTFALL) OF INCOME OVER EXPENDITURE	(1 391 387)	515 073	(747)	(9 163)	(392 314)	519 725
Services on prior biennium's obligations	4 706	5 051	-	-	4 706	5 051
Transfers (to) from reserves	-	(1 22 400)	-	-	-	(1 22 400)
Refunds to Donors and Transfers to/from other funds net	(1 3 000)	(1 1 761)	-	-	(1 3 000)	(1 1 761)
Transfer of resources to UNOPS	-	1 797	-	-	-	1 797
Fund balance, 1 January	426 105	166 193	13 000	17 003	439 105	183 196
FUND BALANCE, 31 DECEMBER	373 811	462 036	13 003	17 003	386 814	470 199

a Note 11 and statement IV 1.

The accompanying notes are an integral part of the financial statements

62 I.2. Other resources activities

(Thousands of United States dollars)

	UNEP Trust-fund financing		Government and other contributions (net)		Trust funds mobilized by UNEP		Indirectly support services and maintenance activities		Disbursement - net		Total, other resources	
	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989	1986-1987	1988-1989
UNEP												
Capital fund	5 763 001	5 197 340	10 407	10 671	540 500	490 457	279 000	357 326	-	-	5 079 001	5 037 015
Interest income	20 100	10 516	-	-	65 000	13 170	10 100	7 070	-	-	60 270	71 072
Other income - net	-	-	-	-	600	1 070	100 000	90 000	(170 000)	(130 000)	60 700	63 057
2000A - 2000B	5 783 101	5 207 856	10 407	10 671	606 100	503 627	389 100	454 416	(170 000)	(130 000)	5 139 971	5 111 144
UNEP/WHO												
Programme support	5 617 000	5 170 000	10 000	11 000	540 500	490 457	279 000	357 326	-	-	5 088 500	5 048 826
Programme support to Resident Coordinator	80 070	40 017	100	100	10 100	13 170	10 100	7 070	-	-	60 270	71 072
Financial support budget	71 100	30 017	-	-	50 770	31 077	100 000	90 000	(170 000)	(130 000)	60 700	63 057
Other	-	-	-	-	-	-	-	-	-	-	-	-
2000A - 2000B	5 768 170	5 240 034	10 100	11 100	600 570	534 704	389 100	454 416	(170 000)	(130 000)	5 109 870	5 122 955
UNEP/WHO/UNEP/WHO												
Income (UNEP/WHO/WHO) - net	100 000	100 000	10 000	10 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Net off and provisions/recovery - net	-	-	-	-	-	-	-	-	-	-	-	-
THE FINANCIAL POSITION OF THE TRUST FUNDS	5 868 170	5 340 034	20 100	20 671	700 100	634 627	489 100	554 416	(70 000)	(130 000)	5 209 971	5 222 144
Balance on prior biennial's obligations	-	-	-	-	100	100	100	100	-	-	100	100
Transfer (to) from reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfer (to) from income	-	-	-	-	-	-	-	-	-	-	-	-
Transfer to income and Transfer to/from other funds - net	(1 000)	(1 000)	-	-	(1 000)	(1 000)	(1 000)	(1 000)	-	-	(1 000)	(1 000)
Transfer of resources to other	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance, 1 January	600 070	422 071	10 407	10 671	300 000	107 000	107 000	117 000	-	-	600 070	510 707
2000A - 2000B - 31 December	579 070	371 071	10 407	10 671	299 000	106 000	106 000	117 000	-	-	569 070	460 707

a Note 11 and statement IV.2.

The accompanying notes are an integral part of the financial statements.

Statement II

Assets, liabilities and reserves and fund balances at
31 December

II.1. Regular resources activities

(Thousands of United States dollars)

	Cash, liquidation		Special resources for least developed countries (LDCs)		Bilateralism - para. 2 (1)		Total Regular Resources Activities	
	1987	1988	1987	1988	1987	1988	1987	1988
Assets								
Cash	-	22 603	-	-	-	-	-	22 603
Government letters of credit								
Investments held for								
Operational Reserve	200 000	200 000	-	-	-	-	200 000	200 000
Regular Reserve	257 457	406 910	-	-	-	-	257 457	406 910
Cost sharing	516 076	402 406	-	-	-	-	516 076	402 406
Government Cash Counterpart Contributions (XNOC)	10 156	10 176	-	-	-	-	10 156	10 176
Funds and Trust Funds	101 410	351 952	-	-	-	-	101 410	351 952
Reimbursable support services and miscellaneous activities	244 727	172 070	-	-	-	-	244 727	172 070
Sub Total Investments	3 410 870	1 651 520	-	-	-	-	3 410 870	1 651 520
Total Cash - letters of credit and investments	3 410 870	3 521 531					3 521 531	
Advances								
Operation funds provided to Government	60 230	62 102	-	-	-	-	60 230	62 102
Operation funds provided to Benefiting agents	63 671	61 346	-	-	-	-	63 671	61 346
Accounts receivable and deferred charges								
Due from Core activities	-	-	11 002	12 490	(13 903)	(12 490)	-	-
Due from UNF	17 491	21 407	-	-	-	-	17 491	21 407
Due from Trust funds established by UNEP	97 609	1 106	-	-	-	-	97 609	1 106
Due from Funds administered by UNEP	15 342	216	-	-	-	-	15 342	216
Due from United Nations Population Fund	20 106	12 770	-	-	-	-	20 106	12 770
Other accounts receivable and deferred charges note 12	19 010	17 012	-	-	-	-	19 010	17 012
Accrued interest	13 212	12 671	-	-	-	-	13 212	12 671
Long term accounts receivable								
Special Capitalized Asset	1 570	-	-	-	-	-	1 570	-
TOTAL ASSETS	3 572 971	3 763 058	33 002	12 490	(13 903)	(12 490)	3 572 971	3 763 058

	Donor Contributions		Special Resources for Least Developed Countries (LDCs)		Revolutions - 2011		Total Regular Resources Available
	1997	1998	1997	1998	1997	1998	
ADMINISTRATIVE							
Operating funds payable to Governments	3 613	6 346	-	-	-	3 613	6 346
Operating funds payable to Executive agents	6 389	4 440	-	-	-	6 389	4 440
Unliquidated obligations	68 368	28 910	-	-	-	68 368	28 910
Management service agreements	-	-	-	-	-	-	-
Accounts payable	48 798	35 388	-	-	-	48 798	35 388
Due to other resources	-	-	-	-	-	-	-
Cost sharing	816 874	482 408	-	-	-	816 874	482 408
Government Cash Counterpart Contributions (GCCC)	36 394	10 176	-	-	-	36 394	10 176
Trust funds established by UNCTAD	263 216	318 427	-	-	-	263 216	318 427
Funds administered by UNCTAD	33 689	22 638	-	-	-	33 689	22 638
Reimbursable support services and miscellaneous activities	283 217	193 484	-	-	-	283 217	193 484
Sub total Due to Other Resources	3 040 783	967 426	-	-	-	3 040 783	967 426
Due to Special Resources Fund For Least Developed Countries	33 689	12 499	-	-	(12 499)	-	-
Due to United Nations	3 687	679	-	-	-	3 687	679
Due to UNCTAD	12 970	6 170	-	-	-	12 970	6 170
Reserve for transitional measures	124	8 416	-	-	-	124	8 416
Reserve for budgeted expenditure	-	12 387	-	-	-	-	12 387
Deferred rent income	-	-	-	-	-	-	-
Other liabilities	-	-	-	-	-	-	-
LESS: LIABILITIES	3 308 316	3 081 213	-	-	(12 499)	3 308 316	3 081 213
MINISTERS AND FUND BALANCES							
Operational Reserve	200 000	200 000	-	-	-	200 000	200 000
Special Capital Resources	3 970	462 036	33 689	12 499	-	3 970	474 718
Unexpended Resources	275 030	462 036	33 689	12 499	-	200 000	474 718
Total Unexpended Resources and Special Capital Resources	275 030	462 036	33 689	12 499	-	200 000	474 718
TOTAL MINISTERS AND FUND BALANCES	474 883	462 036	33 689	12 499	-	400 000	474 718
TOTAL: 2011-2012 AND 2013-2014	3 872 872	3 543 218	33 689	12 499	(12 499)	3 872 872	3 543 218

The accompanying notes are an integral part of the financial statements

II.2. Other resources activities

(Thousands of United States dollars)

	Contributions		Government Cash Counterpart Contributions (RUCP)		Trust Funds Established by UNDP		Reimbursable Support Services and Miscellaneous Activities		Total Other Resources Available	
	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988
ASSETS										
Cash	-	-	-	-	210	9	3 480	3 943	3 697	3 952
Government letters of credit	187	6 776	-	-	-	3 060	-	-	307	6 776
Investments held for Regular Resources	-	-	-	-	276 140	33 553	-	-	276 140	33 553
Total Cash, Letters of Credit and Investments	187	6 776	-	-	276 350	36 613	3 480	3 943	370 133	66 281
Advances										
Operating funds provided to Governments	102 686	14 716	-	-	20 100	12 547	-	-	120 686	47 263
Operating funds provided to executing agents	36 761	14 911	-	870	1 486	1 081	-	-	38 247	17 562
Accounts receivable and deferred charges	516 876	602 406	18 190	10 175	243 216	130 627	262 217	193 404	1 087 765	946 691
Due from UNDP-Regular Resources	-	-	-	-	-	-	-	-	-	-
Due from SFA to UNDP-Regular Resources	-	-	-	-	-	-	-	-	-	-
Due from United Nations	-	-	-	-	-	-	-	-	-	-
Due from UNDPs	-	-	-	-	-	-	-	-	-	-
Due from United Nations Population Fund	-	-	-	-	-	-	-	-	-	-
Agency reimbursement of construction costs	-	-	-	-	-	-	-	-	-	-
Other accounts receivable and deferred charges	18 835	11 978	-	-	7 893	1 100	1 643	810	26 687	14 094
Accrued interest	12 694	6 466	-	-	9 160	260	-	-	21 854	6 724
Long term accounts receivable	-	-	-	-	-	-	1 137	-	1 137	-
Special Capitalized Asset	-	-	-	-	-	-	-	-	-	-
Loans to Governments	-	-	-	-	-	-	3 084	3 790	3 084	2 790
Construction costs	-	-	-	-	-	-	46 880	46 453	46 880	46 453
Capitalized Rehabilitation	-	-	-	-	-	-	4 721	5 177	4 721	5 177
Household Appliance Rental Scheme	-	-	-	-	-	-	300	300	300	300
Allowance for write down	-	-	-	-	-	-	(11 834)	-	(11 834)	-
TOTAL ASSETS	876 877	1,219,132	18,190	11,085	309,516	391,373	306,671	363,923	1,607,138	1,331,865

	Cost Accounting		Government Cash Counterpart Contributions (2002)		Trust Funds Reimbursed by UNCTAD		Reimbursable Support Services and Miscellaneous Activities		Total Other Resources Activities	
	1997	1995	1997	1995	1997	1995	1997	1995	1997	1995
LIABILITIES										
Operating funds payable to Governments	4 400	2 024	-	-	300	545	-	-	4 704	3 469
Operating funds payable to executing agents	2 400	3 151	79	79	24 000	13 240	-	-	27 804	16 459
Unliquidated obligations	59 305	90 466	-	-	32 880	19 913	42 776	42 120	174 011	192 427
Management service agreements	-	-	-	-	1 223	742	-	-	3 323	742
Accounts payable	33 005	21 532	-	-	810	97	10 424	12 795	44 740	14 484
Due to UNDP Regular Resources from HFA	-	-	-	-	-	-	17 693	21 407	37 091	21 407
Due to UNDP Regular Resources from Trust Funds	-	-	-	-	87 600	1 195	-	-	87 600	1 195
Government advances for housing disposal	-	-	-	-	-	-	910	-	910	-
Agency reimbursement of construction costs	-	-	-	-	-	-	3 451	3 451	3 451	3 451
Deferred rental income	-	-	-	-	-	-	156	107	306	107
TOTAL LIABILITIES	102 975	116 213	79	79	116 890	55 353	115 616	100 268	318 318	279 851
RESERVE AND FUND BALANCES										
Reserve for Field Accommodation authorized level	-	-	-	-	-	-	25 000	25 000	25 000	25 000
Reserve for Field Accommodation cumulative surplus (deficit)	-	-	-	-	-	-	-	-	-	-
Unexpended Resources	972 823	877 419	14 194	10 967	442 873	316 021	166 285	127 911	3 197 043	1 452 714
TOTAL RESERVE AND FUND BALANCES	972 823	877 419	14 194	10 967	442 873	316 021	166 285	127 911	3 197 043	1 452 714
TOTAL LIABILITIES AND RESERVE AND FUND BALANCES	974 897	893 632	14 194	11 045	859 763	381 373	306 671	202 339	3 397 361	1 732 565

Schedule 1

Schedule 2

Schedule 3

Schedule 4

Schedule 5

Schedule 6

Schedule 7

Schedule 8

The accompanying notes are an integral part of the financial statements.

Statement III

Statement of cash flows for the biennium ended
31 December 1997

III.1. Regular resources activities

(Thousands of United States dollars)

	Cash Activities	Special Resources for Least Developed Countries (US\$M)	Total Regular Resources
CASH FLOWS FROM OPERATING ACTIVITIES			
Net shortfall of income over expenditure	(156 249)	(747)	(157 012)
Add inflows (Less outflows)			
Increase in accounts payable	9 401	-	9 401
(Increase) in other accounts receivable	(2 027)	-	(2 027)
(Increase) in operating funds provided to Governments - net	2 500	-	2 500
(Decrease) in operating funds provided to Executing agents - net	(10 540)	-	(10 540)
(Decrease) in Reserve for transitional measures	(6 302)	-	(6 302)
(Decrease) in Reserve for budgeted separations	(12 357)	-	(12 357)
(Decrease) in unliquidated obligations	39 450	-	39 450
Less Interest Income	87 120	-	87 120
Net cash from operating activities	(1 224 332)	(747)	(1 225 032)
CASH FLOWS FROM INVESTING AND FINANCING ACTIVITIES			
Add inflows (Less outflows)			
(Increase) in Due from UNFPA	(7 416)	-	(7 416)
(Increase) in Due to other programmes - net	13 453	747	14 200
(Increase) in accrued interest	(541)	-	(541)
Increase in Due to United Nations	350	-	350
Increase in Due to UNFPA	7 400	-	7 400
Add Interest Income	87 120	-	87 120
Net cash from investing and financing activities	100 366	747	101 113
CASH FLOWS FROM OTHER SOURCES			
Savings on prior biennium's obligations	4 754	-	4 754
Refunds to Donors and Transfers to/from other funds - net	(37 502)	-	(37 502)
Net cash from other sources	(32 748)	-	(32 748)
NET INCREASE (DECREASE) IN CASH, LETTERS OF CREDIT AND INVESTMENTS	(157 461)	-	(157 461)
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 1 JANUARY 1996	1 572 531	-	1 572 531
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 31 DECEMBER 1997	1 415 070	-	1 415 070

This statement contains the changes in cash flows for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31

The accompanying notes are an integral part of the financial statements

III.2. Other resources activities

(Thousands of United States dollars)

	Government Cash Counterpart Contributions (GCCC)	Trust Funds Established by UNEP	Reimbursable Support Services and Miscellaneous Activities	Total Other Resources Activities
CASH FLOW FROM OPERATING ACTIVITIES				
Net excess of income over expenditure Items not involving movement of cash	166 456	129 709	20 241	329 433
Sub total	166 456	129 709	20 241	329 433
Add inflows (Less outflows)				
Increase (decrease) in accounts payable and other liabilities (Increase) in other accounts receivable (Increase) in operating funds provided to Governments - net Decrease in operating funds provided to Executing agents - net Increase (decrease) in unliquidated obligations	12 213 (6 547) (64 374) 9 345 (31 241)	903 (6 784) (33 803) 13 108 (7 183)	(1 404) (230) - - 20 648	11 712 (12 563) (78 076) 22 262 (17 816)
Less Interest Income	33 102	43 502	18 162	95 172
Net cash from operating activities	52 550	72 915	63 262	178 181
CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES				
Add inflows (Less outflows)				
(Decrease) increase in due from Regular Resources - net (Increase) in accrued interest Proceeds from sale of capitalized assets Recovery of capitalized assets - net Long term receivable	(113 669) (4 246) - - -	151 925 (4 909) - - -	(72 649) - 3 300 (598) (1 127)	(40 412) (9 187) 3 300 (598) (1 127)
Add Interest Income	33 102	43 502	18 162	95 172
Net cash from investing and financing activities	(80 567)	147 016	(54 487)	12 062
CASH FLOW FROM OTHER RESOURCES				
Savings on prior biennium's obligations Refunds to Donors and Transfers to/from other funds - net	28 356	108	945	3 073
Net cash from other resources	28 356	108	945	3 073
NET INCREASE (DECREASE) IN CASH, LETTERS OF CREDIT AND INVESTMENTS	(3 419)	239 806	(1 535)	344 452
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 1 JANUARY	3 276	16 542	3 943	44 381
CASH, LETTERS OF CREDIT AND INVESTMENTS AS AT 31 DECEMBER	337	239 316	2 408	272 131

This statement contains the changes in cash flows for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31.

The accompanying notes are an integral part of the financial statements.

Statement IV

Movements in fund balances for the biennium ended 31 December 1997

IV.1. Regular resources activities

(Thousands of United States dollars)

	Core Activities	Special Measures Fund for Least Developed Countries (LDCs)	Total Regular Resources Activities
Balance as at 1 January 1996	462 039	12 699	474 738
Adjustment to opening balance ^{a/}	(35 854)	-	(35 854)
Adjusted opening balance	426 185	12 699	438 884
Net shortfall of income over expenditure	(156 265)	(747)	(157 012)
Savings on prior biennium's obligations	4 756	-	4 756
Refunds to Donors and Transfers to/from other funds - net	(1 653)	-	(1 653)
Balance as at 31 December 1997	273 023	11 952	284 975
			OVERVIEW

^a Note 11.

The accompanying notes are an integral part of the financial statements.

70 IV.2. Other resources activities

(Thousands of United States dollars)

	Cost-sharing	Government Cash Counterpart Contributions (1996)	Trust Funds Established by UNEP	Reimbursable Support Services and Miscellaneous Activities	Total Other Resources Activities
Balance as at 1 January 1996	377 819	10 947	336 031	127 911	852 718
Adjustments to opening balance ^{a/}	26 859	-	-	6 995	35 854
Adjusted opening balance	404 678	10 947	336 031	134 906	886 572
Net excess of income over expenditure	166 456	5 227	139 709	28 241	329 633
Savings on prior biennium's obligations	-	-	108	965	1 073
Refunds to Donors and Transfers to/from other funds - net	(313)	-	(23 265)	2 143	(21 435)
Balance as at 31 December 1997	572 821	16 174	442 572	166 215	1 197 842

^a Note 11.

The accompanying notes are an integral part of the financial statements.

Schedules to the accounts

Schedule I

Regular resources: Other income – net for the biennium ended 31 December 1997

(Thousands of United States dollars)

	1996-1997	1994-1995
Miscellaneous income from accounts of Executing agents- net	(443)	1 085
Net adjustments on revaluation of currencies and gain (loss) on exchange note 2(f)	(20 812)	29 645
Miscellaneous write-offs	(32)	(178)
Expert hiatus financing, extended sick leave costs and compensation payments	(219)	(496)
Additional programme support costs (reimbursement) recovery	(105)	(53)
Donations	37	-
Other	<u>(1 191)</u>	<u>1 770</u>
Total	<u>(30 765)</u>	<u>31 773</u>

statement I.1

The accompanying notes are an integral part of the financial statements.

Schedule 2

Programme expenditure by executing agencies and by source of funds

(Thousands of United States dollars)

Twelve months ended 31 December 1997											
Expenditure charged to Regular Programme Activities											
Target for Resource Assignment from Core (TRAC)											
Country and Regional - Line	Countries in Special Situations (Line 1.1.3)	Regional (Line 1.2)	Global, Interregional and Special Activities	Evaluation Line 1.4	TCDC Line 1.5	Other Line 2.4	IPP Add-on funds	ADB saving funds	Special Programme Resources	Special Industrial Services	
Agency	1.1.1/1.1.2	(Line 1.2)	(Line 1.3)	(Line 1.4)	(Line 1.5)	(Line 2.4)	(Line 1.6)	(Line 1.7)	(Line 1.8)	(Line 1.9)	(Line 1.10)
United Nations	39 033	-	704	342	-	-	-	-	1 325	-	-
UNIDO	11 139	-	-	-	-	-	-	-	37	(95)	-
FAO	26 401	-	1 013	76	-	-	-	-	266	-	-
UNESCO	8 094	-	-	-	-	-	-	-	-	-	-
ILO	20 492	-	-	6	-	-	-	-	377	-	-
ECA	(180)	-	921	-	-	-	-	-	-	-	-
ECCE	-	-	(17)	-	-	-	-	-	-	-	-
ECLAC	-	-	190	-	-	-	-	-	-	-	-
ESCAP	-	-	1 400	-	-	-	-	-	-	-	-
ESCAP	43	-	142	8	-	-	-	-	13	-	-
UNCTAD	3 119	-	306	229	-	-	-	-	(108)	-	-
UNEP	14 394	-	(300)	3 083	-	-	-	-	327	-	-
ICAO	39 772	-	771	2	-	-	-	70	(73)	-	-
WHO	9 475	-	49	2 375	-	-	-	-	141	-	-
IBRD	1 903	-	3 966	1 708	-	-	-	8	13	813	-
IFC	-	-	423	-	-	-	-	-	-	-	-
UPU	301	-	35	-	-	-	-	-	-	-	-
ITU	2 566	-	4	-	-	-	-	-	17	-	-
WHO	947	-	140	-	-	-	-	-	-	-	-
IMO	19	-	(3)	-	-	-	-	-	-	-	-
WIPO	85	-	243	-	-	-	-	-	-	-	-
IASA	1 330	-	(54)	-	-	-	-	-	-	-	-
ITC	(48)	-	2 927	-	-	-	-	-	-	-	-
WTO	973	-	-	-	-	-	-	-	140	-	-
APESD	-	-	596	-	-	-	-	-	-	-	-
AFDB	95	-	-	-	-	-	-	-	-	-	-
AfDB	2	-	103	(103)	-	-	302	-	-	-	-
IMF	2 376	-	574	285	-	-	92	-	22	-	-
UNW	8 701	37	291	-	-	-	-	-	221	-	-
UNITAR	-	-	-	-	-	-	-	-	-	-	-
ENRD	-	-	413	-	-	-	-	-	-	-	-
DEVNET	-	-	-	-	-	-	-	-	-	-	-
ICM	-	-	-	-	-	-	-	-	114	-	-
REX	1 065 186	5 124	7 445	46	-	-	2 635	5 595	9 721	-	-
UNOPS	101 743	17 305	32 716	15 804	173	3 775	150	375	15 561	-	-
UNDP	6 266	5 411	-	133	-	-	-	-	1 069	-	-
MOOs	3	-	-	-	-	-	-	-	-	-	-
Total inclusive of Cost-sharing	1 352 858	27 867	56 363	23 774	173	3 775	3 087	6 053	30 685	(95)	-
Charged to Other source of funds	526 063	27 706	47 611	21 808	173	3 742	(4 516)	3 036	4 901	23 065	(95)
Cost-sharing	826 795	161	8 752	1 966	-	33	4 516	51	1 152	6 020	-
Total inclusive of Cost-sharing	1 352 858	27 867	56 363	23 774	173	3 775	-	3 087	6 053	30 685	(95)

The accompanying notes are an integral part of the financial statements.

Twelve months ended 31 December 1997

Special Measure Fund for the least developed	Sub-total	Government Cash Counterpart Contributions	1997	Amounts charged to Cost- sharing	Amounts charged to other sources of funds	Total 1996		Total Biennium 1996-1997	
						Other sources of funds		Other sources of funds	
						GOCC	Funds	GOCC	of funds
4	30 438	1 401	33 039	12 337	19 492	1 321	24 054	2 933	54 484
-	11 091	173	11 264	2 307	8 947	57	15 620	230	26 701
-	30 884	13	30 840	2 190	26 370	219	29 825	331	50 381
-	0 094	-	0 094	1 089	7 005	-	6 230	-	14 324
9	30 003	-	30 003	4 946	15 937	-	14 948	-	35 031
-	441	-	441	-	441	-	774	-	1 215
-	(17)	-	(17)	-	(17)	-	898	-	881
-	190	-	190	-	190	-	267	-	455
-	1 460	-	1 460	914	754	-	2 476	-	4 144
-	306	-	306	44	163	-	95	-	301
(3)	3 933	-	3 933	1 164	2 358	-	3 960	-	7 482
-	17 814	(233)	16 781	7 079	9 702	-	15 108	(233)	32 122
-	40 040	35	40 077	30 250	3 327	1 334	36 413	1 369	74 955
-	13 043	-	13 043	1 430	10 405	-	11 341	-	23 384
-	0 411	-	0 411	2 039	5 572	-	11 594	-	20 007
-	433	-	433	1 449	(1 044)	-	978	-	1 401
-	336	-	336	12	324	-	391	-	727
-	3 809	20	3 817	1 043	1 575	10	3 168	48	5 757
-	1 090	-	1 090	354	741	-	1 240	-	2 335
-	16	-	16	59	(43)	-	43	-	59
-	430	-	430	99	329	-	626	-	1 054
-	1 376	-	1 374	301	973	-	1 013	-	2 287
-	3 781	-	3 781	1 405	1 376	-	2 791	-	5 572
-	1 113	-	1 113	526	587	-	1 512	-	2 625
-	896	-	896	101	495	-	604	-	1 200
-	98	-	98	-	95	-	66	-	161
-	304	-	304	-	204	-	(21)	-	183
-	3 307	-	3 307	586	2 721	-	4 056	-	7 363
-	9 340	-	9 340	1 124	8 116	-	10 075	-	19 315
-	-	-	-	-	-	-	8	-	8
-	-	-	-	-	-	-	-	-	-
-	613	-	613	461	152	-	323	-	936
-	114	-	114	-	114	-	-	-	114
29	1 098 781	3 431	1 099 312	733 025	366 187	2 982	840 224	6 413	1 936 005
1	107 633	584	108 207	15 939	162 268	1 062	162 883	1 646	350 506
-	13 670	-	13 670	5 440	8 038	-	275	-	13 953
-	3	-	3	3 090	(3 095)	-	-	-	3

33	1 804 372	5 631	1 810 210	850 246	652 764	6 993	1 203 847	12 624	2 708 441

39	684 333	5 631	689 964	-	-	-	544 021	-	1 191 361	statement 1.1
-	850 246	-	850 246	-	-	-	666 834	-	1 517 080	statement 1.2

33	1 804 372	5 631	1 810 210	-	-	-	1 210 855	-	2 708 441

schedule 2.2

Schedule 2.1

Agency support costs and technical support services by implementing agencies and source of funds for the biennium 1996-1997

(Thousands of United States dollars)

Twelve months ended 31 December 1997									
Agencies	Countries in Special Situations (TRAC 1.1.1)	Global, Interregional and Special Activities (Line 1.2)	Evaluation (Line 1.4)	TCDC (Line 1.5)	Support for Technical Services - (STS) (Line 2.1)	Support for Policy and Programme Development - (SPPD) (Line 2.2)	Resource for Implementation (Line 1.6)	TRAC (Lines 1.1.1 & 1.1.2)	Non-TRAC (Line 1.3)
United Nations	-	-	-	-	2 032	3 127	-	2 017	67
UNIDO	-	-	-	-	949	1 978	(59)	1 124	-
FAO	-	-	-	-	1 071	2 432	-	2 640	191
UNESCO	-	-	-	-	850	890	-	809	-
ILO	-	-	-	-	1 248	2 283	-	2 049	-
ECA	-	-	-	-	-	40	-	(38)	77
ECLAC	-	-	-	-	8	13	-	-	20
ESCAP	-	-	-	-	-	-	-	-	157
ESCPA	-	-	-	-	-	-	-	4	14
ECE	-	-	-	-	-	-	-	-	(1)
UNCTAD	-	21	-	-	51	174	-	311	29
UNCHS	-	-	-	-	-	-	-	2 931	50
ICAO	-	-	-	-	35	44	7	3 275	77
WHO	-	99	-	-	30	39	-	947	5
IBRD	-	18	-	-	-	-	4	190	117
IFC	-	-	-	-	-	-	31	-	62
UPU	-	-	-	-	8	5	-	57	7
ITU	-	-	-	-	-	33	-	538	1
WMO	-	-	-	-	8	-	104	188	38
IMO	-	-	-	-	-	-	-	3	-
WIPO	-	-	-	-	-	-	-	33	65
IAEA	-	-	-	-	-	57	-	254	(10)
ITC	-	-	-	-	27	-	-	325	375
WTO	-	-	-	-	-	125	-	185	-
AFDB	-	-	-	-	-	-	-	8	-
AsDB	-	-	-	-	-	-	-	53	-
IMP	-	-	-	-	-	-	-	237	57
AFESD	-	-	-	-	-	-	-	-	60
UNITAR	-	-	-	-	-	-	-	-	-
EBRD	-	-	-	-	-	-	-	-	-
ICM	-	-	-	-	-	-	-	-	-
UNOPS	1 727	-	17	378	-	-	-	13 570	-
UNDP	-	-	-	-	-	-	-	-	-
NGOs	-	-	-	-	-	-	-	-	-
	1 727	138	17	378	7 117	11 241	87	31 711	1 459
Portion charged to Cost-sharing	15	197	-	-	451	-	10	2 437	777
Net	1 712	(59)	17	378	5 656	11 241	77	22 274	682

^a Statement 1.2.

The accompanying notes are an integral part of the financial statements.

Global and Interregional		Other resources (SPR-LDC-SIS etc)	Total Regular Resources	Government Cash Counterpart Contributions (GCCC)	Total 1997	Total 1996		Total Biennium 1996-1997	
IPP	IPP Add-On					Regular Resources and Cost-sharing	GCCC	Regular Resources and Cost-sharing	GCCC
36	-	1 020	8 299	56	8 355	10 445	47	18 744	103
-	-	1 192	5 184	6	5 190	5 591	2	10 775	8
8	-	1 157	8 289	1	8 290	7 908	8	16 197	9
-	-	218	3 767	-	3 767	3 146	-	5 913	-
1	-	597	6 178	-	6 178	5 470	-	11 648	-
-	-	-	79	-	79	89	-	168	-
-	-	16	86	-	86	162	-	210	-
-	-	-	167	-	167	322	-	489	-
1	-	2	31	-	31	9	-	30	-
-	-	-	(1)	-	(1)	118	-	117	-
2	-	86	674	-	674	769	-	1 443	-
245	-	418	3 644	(10)	3 634	1 627	-	5 271	(10)
-	-	150	3 888	1	3 889	3 691	47	7 379	48
6	-	46	1 171	-	1 171	1 566	-	2 737	-
156	1	173	659	-	659	3 243	-	3 902	-
-	-	1	94	-	94	121	-	215	-
-	-	6	83	-	83	110	-	193	-
-	-	834	1 486	1	1 487	2 106	-	3 512	1
-	-	141	449	-	449	335	-	784	-
-	-	12	18	-	18	9	-	24	-
-	-	19	117	-	117	156	-	273	-
-	-	-	301	-	301	227	-	528	-
-	-	2	731	-	731	1 096	-	1 827	-
-	-	47	358	-	358	429	-	787	-
-	-	-	8	-	8	7	-	15	-
-	20	-	73	-	73	49	-	122	-
24	9	136	463	-	463	902	-	1 365	-
-	-	-	60	-	60	79	-	139	-
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	-	11	11	-	11	-	-	11	-
1 106	-	3 559	20 356	20	20 376	18 141	37	38 497	57
-	53	29	82	-	82	-	-	82	-
-	-	-	-	-	-	-	-	-	-
1 583	83	9 841	65 382	75	65 457	67 923	141	133 305	216 a/
432	5	135	11 659	-	11 659	8 603	-	20 272	a/
1 151	78	9 506	83 713	75	83 788	59 322	141	113 033	216

schedule 2.3

statement I.1

Schedule 2.2

Programme expenditure by executing agencies and by source of funds for the 12 months ended
31 December 1996

(Thousands of United States dollars)

Agency	Indicative Planning Figures				Indicative Planning Figure add-on	Indicative Planning Figure sub-line	Special Programme Resources	Special Industrial Resources	Special Measures Fund for the Least Developed Countries	Government Cash Counterpart Contributions (GCCC)	1996
	Country	Regional	Inter-Regional	Global							
United Nations	21 357	910	145	-	22 412	-	1 549	-	76	1 331	25 177
UNIDO	10 996	1 045	-	-	12 041	-	394	3 285	-	57	15 677
FAO	26 976	2 614	127	(3)	29 714	-	111	-	-	219	30 644
UNESCO	6 134	(25)	109	-	6 217	-	13	-	-	-	6 230
ILO	14 206	425	22	-	14 653	-	278	-	17	-	14 948
ECA	340	394	-	-	774	-	-	-	-	-	774
ECE	-	698	-	-	698	-	-	-	-	-	698
ECLAC	-	267	-	-	267	-	-	-	-	-	267
ESCAP	-	2 476	-	-	2 476	-	-	-	-	-	2 476
ESONIA	-	75	-	-	75	-	20	-	-	-	95
UNCTAD	2 921	631	15	-	3 567	-	395	-	(2)	-	3 860
UNHCR	14 562	733	-	-	15 295	-	193	-	-	-	15 488
ICAO	55 248	973	34	-	56 255	-	274	-	-	1 334	57 589
WHO	6 015	53	513	4 316	10 897	-	444	-	-	-	11 341
IBRD	2 906	1 476	3 111	2 428	10 321	-	1 165	-	-	-	11 486
IFC	12	966	-	-	978	-	-	-	-	-	978
UPU	324	63	-	-	391	-	-	-	-	-	391
ITU	2 041	194	-	-	2 235	-	69	-	-	10	2 314
WMO	994	246	-	-	1 240	-	-	-	-	-	1 240
IMO	(17)	60	-	-	43	-	-	-	-	-	43
WFP	454	172	-	-	626	-	-	-	-	-	626
JAEA	118	495	-	-	1 013	-	-	-	-	-	1 013
ITC	1 449	942	-	-	2 391	-	-	-	-	-	2 391
WTO	1 499	-	-	-	1 499	-	23	-	-	-	1 522
AFESD	-	604	-	-	604	-	-	-	-	-	604
AEDB	66	-	-	-	66	-	-	-	-	-	66
AeDB	(21)	-	-	-	(21)	-	-	-	-	-	(21)
IMF	3 107	724	221	-	4 052	-	-	-	-	-	4 052
UNV	9 358	234	-	-	9 592	-	479	-	-	-	10 071
UNITAR	-	-	-	-	-	-	-	-	-	-	-
ERD	-	323	-	-	323	-	-	-	-	-	323
DEVRET	-	7 323	-	-	7 323	-	-	-	-	-	7 323
MEX	412 450	23 877	-	-	436 327	-	12 903	-	297	2 942	449 569
UNOPS	91 552	23 877	2 467	6 419	124 515	-	36 236	-	333	1 062	143 648
UNDP	(76)	163	-	-	83	-	192	-	-	-	275
Total (inclusive of Cost-sharing)	1 046 473	49 242	7 147	13 565	1 136 427	3 997	54 393	3 285	721	6 993	1 210 818
Charged to:											
Source of fund per column heading	426 410	17 257	(348)	12 154	475 413	4 735	47 530	3 285	721	6 993	546 621
Cost-sharing	519 663	11 992	2 515	1 406	545 576	(738)	6 863	-	-	-	556 816
Total (inclusive of Cost-sharing)	1 046 473	49 242	7 147	13 565	1 136 427	3 997	54 393	3 285	721	6 993	1 210 818

The accompanying notes are an integral part of the financial statements.

Schedule 2.3

Agency support costs and technical support services by implementing agencies and by source of funds for the 12 months ended 31 December 1996

(Thousands of United States dollars)

Administrative and Operational Support Services											Old Resour	
Agency	Technical Support Services	Technical Support Services	IPF Sub-line	Special Programme Resources	Special Fund for the Least Developed Countries	Special Industrial Services	Central Resource Charges	Execution	Government Cash Conterpart Contributions (GCCC)	Cooperating Agencies	1996	
United Nations	5 227	2 659	1 957	149	-	-	-	353	-	47	100	
UNIDO	1 900	1 358	1 331	23	-	339	-	494	-	2	146	
PAO	1 349	2 136	3 390	-	-	-	-	950	-	8	83	
UNESCO	1 513	743	813	-	-	-	-	77	-	-	-	
ILO	1 900	1 392	1 719	38	1	-	-	377	-	-	43	
ECA	-	-	-	-	-	-	-	12	-	-	-	
ECLAC	-	-	116	-	-	-	-	77	-	-	-	
ESCAP	-	-	248	-	-	-	-	35	-	-	-	
ESCPA	-	-	6	2	-	-	-	74	-	-	-	
ECE	-	-	91	-	-	-	-	1	-	-	-	
UNCTAD	-	-	581	40	-	-	-	27	-	-	-	
UNCTCS	-	-	1 332	-	-	-	-	(16)	-	-	-	
ICAO	-	-	2 326	-	-	-	-	399	-	15	-	
WHO	-	-	996	44	-	-	-	247	-	56	-	
IRHD	-	-	1 285	-	-	-	-	392	-	-	-	
IFC	-	-	22	-	-	-	-	234	-	-	-	
UPU	-	-	64	-	-	-	-	1 950	-	-	-	
ITU	-	-	1 461	9	-	-	-	99	-	-	-	
WMO	-	-	131	-	-	-	-	34	-	-	-	
IMO	-	-	6	-	-	-	-	177	-	237	-	
MIPO	-	-	65	-	-	-	-	39	-	27	-	
JAEA	-	-	103	-	-	-	-	138	-	-	-	
ITC	-	-	633	-	-	-	-	3	-	-	-	
WTO	-	-	190	2	-	-	-	63	-	-	-	
AIDR	-	-	5	-	-	-	-	31	-	-	-	
Asdr	-	-	15	-	-	-	-	377	-	-	-	
INF	-	-	642	-	-	-	-	59	-	86	-	
AFESD	-	-	-	-	-	-	-	178	-	-	-	
UNITAR	-	-	-	-	-	-	-	2	-	-	-	
ERHD	-	-	-	-	-	-	-	29	-	-	-	
UNEP	-	-	-	-	-	-	-	5	-	-	-	
UNOPS	-	-	-	-	-	-	-	191	-	38	-	
UNDP	-	-	11 976	3 160	-	-	-	31	-	-	-	
UNEP	-	-	-	-	-	-	-	79	-	-	-	
Total (inclusive of Cost-sharing)	11 889	8 288	31 502	3 467	1	339	1 747	2 842	37	165	10 176	
Charged to:												
Source of funds as per column heading	11 889	8 148	26 280	3 371	1	339	1 402	6 970	141	920	99 461 a/	
Cost-sharing	-	140	5 222	96	-	-	345	2 716	-	84	8 603 schedule 2.1	
Total (inclusive of Cost-sharing)	11 889	8 288	31 502	3 467	1	339	1 747	9 686	141	1 004	108 064	

a Shown on schedule 2.1 as regular resources for \$59,320,000 and GCCC for \$141,000,000.

The accompanying notes are an integral part of the financial statements.

Schedule 3

Biennial support budget: programme support activities, management and administration costs and support to operational activities of the United Nations system for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Revised Appropriations 1996-1997	Disbursement	Unliquidated obligations	Total	Total Expenditure 1996-1997	Unencumbered balance as at 31 December 1997
PROGRAMME SUPPORT ACTIVITIES						
Country offices	246 130	225 562	10 322	235 884	226 489	10 244
Headquarters	70 501	62 721	2 976	65 695	69 099	4 806
Total	316 632	288 283	13 298	301 572	295 588	15 060
MANAGEMENT AND ADMINISTRATION						
	110 021	105 218	5 802	112 027	112 642	(1 286)
SUPPORT TO OPERATIONAL ACTIVITIES OF THE UN SYSTEM						
Country offices	80 346	77 606	2 793	80 399	78 767	7 967
Development Group Office	2 157	1 522	19	1 541	705	616
Inter-Agency Procurement Services Office	6 467	3 742	135	3 877	3 130	570
United Nations Volunteers programme	34 426	28 909	1 420	30 329	33 612	4 497
Total	123 296	111 779	4 367	116 146	119 222	33 450
Total Biennial support budget - gross	556 465	506 282	21 472	528 752 a/	528 442 a/	26 716
Less: Income	(38 000)	(48 168)	-	(48 168)	(36 163)	4 166
Total Biennial support budget - net	518 465	458 112	21 472	486 584	492 104	32 882
Statement 2						

Statement 2.1

a Shown on schedule 4 by major categories of expenditure.

The accompanying notes are an integral part of the financial statements.

Schedule 4

Regular resources: biennial support budget (gross) and expenditure against biennial support budget (gross by major category of expenditure) for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Revised Appropriations 1996-1997	1996-1997 Expenditure			Expenditure 1994-1995
		Disbursements	Unliquidated obligations	Total	
Posts	378 657	352 718	9 037	361 755	365 813
Other staff costs	7 544	8 414	252	8 666	6 788
Consultants	5 816	8 470	628	9 098	5 873
Travel	14 877	13 665	767	14 432	12 756
Operating expenses	105 262	82 862	6 406	89 268	82 665
Furniture and equipment	20 772	15 084	4 087	19 171	17 984
Reimbursements/Contributions	16 315	20 137	2 062	22 199	27 284
Development support services	7 223	4 926	237	5 163	6 206
Total	556 466	506 276	23 476	529 752	525 449
				schedule 3	

The accompanying notes are an integral part of the financial statements.

A/53/5/Add.1

Trust funds established by the United Nations Development Programme: schedule of income, expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

A/53/5/Add.1

Name of Trust Fund	Year	Income			Expenditure			Refunds to donors and transfers to other funds - net	Fund balance as at 31 December	Disbursements as project budget allocations in excess of fund balance	Contributions receivable
		Fund balances as at 1 January	Regular Resources and Other Contributions		Sub-trust funds	Regular Resources and Other Contributions					
			Contribution	Other		Project cost	Sub-trust funds				
FUND BALANCES - NET											
Trust Fund to Combat Desertification and Drought (UNSD)	1996-97	24 389	0 724	1 544	0 265	15 420	0 044	0 279	1 094	17 050	17 050
	1994-95	35 245	0 131	2 054	2 443	13 440	14 810	7 399	2 193	24 389	24 389
Trust Fund for the Global Environmental Facility (GEF)	1996-97	48 316	111 847	4 085	400	118 211	100 726	16 922	1 074	120 000	120 000
	1994-95	18 299	122 410	5 042	5 763	131 083	90 442	13 900	440	140 143	140 143
Multilateral Fund for the Implementation of the Montreal Protocol	1996-97	79 169	44 659	13 932	412	61 103	60 403	7 241	333	68 413	68 413
	1994-95	18 502	80 457	1 519	205	91 131	33 944	2 920	-	37 464	37 464
"Capacity 21" Trust Fund	1996-97	40 337	17 489	7 203	1 270	26 180	14 166	2 300	771	17 187	17 187
	1994-95	19 286	26 258	1 507	1 096	28 761	7 129	1 432	76	8 037	8 037
UNEP Energy Account	1996-97	4 743	2 146	560	-	2 706	2 706	767	2	4 000	4 000
	1994-95	4 054	5 416	277	32	1 793	2 293	997	26	5 016	5 016
Government of France Trust Fund for the UNDP/World Bank Energy Sector Management Assessment Programme	1996-97	1 100	-	118	-	118	440	40	-	497	497
	1994-95	1 211	49	-	-	99	244	32	-	310	310
UNEP Trust Fund for the Protection of the Ozone Layer	1996-97	44	-	0	-	0	0	3	-	3	3
	1994-95	50	0	0	-	0	0	3	-	3	3
World Maritime University Trust Fund	1996-97	110	36	10	-	66	308	3	-	383	383
	1994-95	145	78	18	-	92	178	2	-	177	177
Trust Fund to Mainstream Human Development into Operational Activities	1996-97	1 126	327	-	-	137	1 240	1 31	-	1 371	1 371
	1994-95	1 440	91	-	-	91	335	34	-	409	409
Global Consultation on Water Supply and Sanitation for the 1990s	1996-97	76	-	0	-	0	1 31	-	-	1 31	1 31
	1994-95	42	0	-	-	0	1 36	1 01	-	1 37	1 37
International Development Research Centre Trust Fund for Information Management Training Series	1996-97	1 113	-	-	-	-	1 100	1 33	-	1 333	1 333
	1994-95	1 113	-	-	-	-	-	-	-	-	-
Government of Germany Trust Fund for the UNDP/World Energy Sector Management Assistance Programme	1996-97	977	444	93	-	611	440	40	-	895	895
	1994-95	112	1 130	13	-	1 255	783	101	-	440	440
Trust Fund for UNDP History Project	1996-97	25	0	3	-	3	40	-	-	39	39
	1994-95	45	28	2	-	30	55	-	-	85	85

Name of Trust Fund	Year	Income				Expenditure				Refunds to donors and transfers to / from other funds - net	Fund balance as at 31 December	Unspent project budget allocations in excess of fund balance	Contributions receivable
		Regular Resources and Contributions			Sub-trust Funds	Regular Resources and Contributions			Sub-trust Funds				
		Contribution	Other	Total		Project cost	Other	Total					
UNDP Trust Fund for Council on Health Research for Development (CONED)	1986-87	48	988	-	-	988	988	47	-	1 080	-	78	(141)
	1994-95	-	717	-	-	717	628	46	-	672	-	723	(476)
UNDP Trust Fund for Technical Assistance to Electoral Processes	1986-87	83	-	7	-	7	-	-	-	-	70	-	-
	1994-95	-	63	-	-	63	-	-	-	-	63	-	-
Enhancement of Private Sector Role in Development	1986-87	-	-	-	80	80	-	-	-	80	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund in Support of the Activities of the World Commission on Forests and Sustainable Development	1986-87	-	466	(63)	-	403	397	86	-	642	-	-	144
	1994-95	-	-	-	-	-	-	-	-	-	(308)	-	-
UNDP Trust Fund for World Summit on Social Development	1986-87	-	18 488	93	-	18 581	1 000	48	-	1 048	-	6 370	938
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund for the African 2000 Network	1986-87	971	-	169	-	1 140	966	78	-	1 028	-	682	-
	1994-95	5 459	1 404	310	-	7 173	5 936	616	-	6 600	-	1 027	(1 561)
Trust Fund for Special Economic Assistance Programmes	1986-87	439	-	33	-	472	-	-	-	(1 000)	-	-	-
	1994-95	420	-	17	-	437	-	-	-	-	237	17	-
UNDP Trust Fund for the Independent International Commission on Health Research for Developing Countries	1986-87	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	17	10	-	-	27	26	3	-	37	-	-	-
UNDP Trust Fund for Public Private Partnerships for the Urban Environment	1986-87	-	1 204	-	-	1 204	630	88	-	697	-	648	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-
UNDP Trust Fund for Capacity Development Assessment	1986-87	-	-	-	9 942	9 942	-	-	-	-	9 942	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Denmark Trust Fund for Local Initiative Facility for Urban Environment (LIFE) in the Low Income Urban Areas in Thailand	1986-87	387	-	30	-	417	373	26	-	696	-	78	-
	1994-95	-	364	-	-	364	35	2	-	377	-	379	(14)
UNDP Trust Fund for Social Mobilisation for Development	1986-87	-	-	-	-	-	-	-	-	-	(11)	-	-
	1994-95	1	-	-	-	-	-	-	-	-	(11)	-	-
Family Health International Trust Fund	1986-87	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	1	-	-	-	-	-	-	-	-	-	-	-
UNDP - UNDP/WHO	1986-87	-	6 282	86	-	6 368	1 440	80	-	1 647	-	387	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-
UNDP/Denmark Trust Fund for Global and Regional Support for the Aid Accountability Initiative	1986-87	-	-	-	-	-	-	-	-	-	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-
Netherlands Trust Fund for Special Action Programme for Public Administration and Management (SAPAM)	1986-87	2 144	-	256	-	2 400	83	10	-	2 237	-	1 370	-
	1994-95	2 585	146	-	-	2 731	516	78	-	2 185	-	1 081	-

Name of Trust Fund	Income				Expenditures				Balance to				Unspent project budget allocations in project budget available
	Year	Fund balance as at 1 January	Regular Resources		Total	Regular Resources		Total	Refunds to / transfers to / from other funds - net	Fund balance as at 31 December	Unspent project budget allocations	Unspent project budget allocations	
			Contributions	Sub-trust		Contributions	Sub-trust						
				Funds			Funds						
UNEP - UNEP/WHO													
UNEP Trust Fund to Support Micro-Finance and Enterprise Development	1986-87	-	1 070	-	1 070	0	-	10	-	1 060	1 060	-	-
	1984-85	-	-	-	-	-	-	-	-	-	-	-	-
UNEP - UNEP/WHO													
UNEP Development Study Programme	1986-87	100	83	-	183	0	-	183	-	1 100	11	1 100	10
	1984-85	107	445	-	552	445	-	897	-	100	100	-	-
UNEP - UNEP/WHO/WHO													
UNEP/WHO Trust Fund on Support to the Technical Advisory Committee on the Global Water Partnership	1986-87	-	374	-	374	-	-	-	-	374	-	-	12
	1984-85	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL UNEP													
	1986-87	127 766	216 910	10 270	354 946	216 910	10 270	327 180	1 070	2 070	2 070	2 070	2 070
	1984-85	127 837	255 103	9 232	492 172	358 158	23 075	611 333	1 070	2 070	2 070	2 070	2 070
UNEP - UNEP/WHO/WHO													
UNEP Trust Fund for Angola	1986-87	570	9 100	40	10 710	200	0	200	1 710	10 100	10 100	-	9 100
	1984-85	-	570	-	570	-	-	-	-	570	-	-	-
UNEP - UNEP/WHO/WHO													
UNEP/WHO Trust Fund on Support to a Financial Systems Development Project, Angola Phase II	1986-87	883	400	41	1 324	1 000	101	1 101	1 011	114	114	1 000	113
	1984-85	-	411	-	411	-	-	-	-	411	-	-	-
UNEP - UNEP/WHO/WHO													
UNEP Trust Fund for Emergency Humanitarian Assistance to Angola	1986-87	100	-	4	104	-	-	-	1 041	-	-	-	-
	1984-85	100	-	10	110	110	1 041	1 151	-	-	-	-	-
UNEP - UNEP/WHO/WHO													
Trust Fund for the Moroccan Contribution to the Angolan Petroleum Training Centre in Suva	1986-87	922	-	42	964	-	-	-	-	922	-	-	-
	1984-85	922	-	41	963	-	-	-	-	922	-	-	-
UNEP - UNEP/WHO/WHO													
UNEP/WHO Trust Fund for Support to the Preparation of a Country Report on Water Resources in Angola	1986-87	-	43	-	43	-	-	-	-	43	-	-	-
	1984-85	-	-	-	-	-	-	-	-	-	-	-	-
UNEP - UNEP/WHO/WHO													
UNEP/Denmark Trust Fund for Electoral Assistance Project in Burundi	1986-87	100	-	17	117	-	-	-	-	117	-	-	-
	1984-85	100	-	9	109	-	-	-	-	109	-	-	-
UNEP - UNEP/WHO/WHO													
UNEP/WHO Trust Fund to Support Reconstruction and Reconciliation Activities in Burundi	1986-87	100	110	8	218	100	8	208	1 018	100	100	1 018	1 018
	1984-85	-	110	-	110	-	-	-	-	110	-	-	-
UNEP - UNEP/WHO/WHO													
Finland/UNEP Trust Fund for the Construction of an Agro Veterinary School in Suva	1986-87	1 100	100	100	1 300	100	10	1 200	-	1 100	100	1 200	1 200
	1984-85	1 100	-	100	1 200	-	-	-	-	1 100	-	-	-
UNEP - UNEP/WHO/WHO													
UNEP Trust Fund for Rwanda	1986-87	10 070	60 000	400	70 470	10 070	10 000	20 070	-	40 400	20 000	-	4 000
	1984-85	-	11 000	-	11 000	-	-	-	-	10 000	-	-	-
UNEP - UNEP/WHO/WHO													
Trust Fund for Emergency Assistance to the People's Republic of Mozambique	1986-87	1 411	-	90	1 501	1 501	90	1 591	1 011	100	100	1 011	1 011
	1984-85	1 411	-	101	1 512	-	-	-	-	1 411	-	-	-

Name of Trust Fund	Year	Income			Expenditure			Balance at 31 December			Unapportioned balance at 31 December			Unapportioned balance at 31 December			Unapportioned balance at 31 December		
		Regular resources and contributions	Sub-trust funds	Total	Regular resources and contributions	Sub-trust funds	Total	Balance at 31 December	Unapportioned balance at 31 December	Total	Balance at 31 December	Unapportioned balance at 31 December	Total	Balance at 31 December	Unapportioned balance at 31 December	Total	Balance at 31 December	Unapportioned balance at 31 December	Total
		Contributions	Other		Project cost	Other													
UNDP Trust Fund for the Mozambique Demobilisation Programme	1996-97 1996-95	187 6 145	28 (1 110)	20 (1 082)	14 3 349	-	14 3 349	14 3 349	-	14 3 349	14 3 349	-	14 3 349	14 3 349	-	14 3 349	14 3 349	-	14 3 349
UNDP Trust Fund for the Reintegration of Demobilised Military Personnel in Mozambique	1996-97 1996-95	9 336 -	3 864 37 744	484 37 744	9 312 37 857	844 815	10 156 38 672	10 156 38 672	844 815	10 156 38 672	10 156 38 672	844 815	10 156 38 672	10 156 38 672	844 815	10 156 38 672	10 156 38 672	844 815	10 156 38 672
UNDP/Norway Trust Fund for Assistance to the Electoral Process in Mozambique	1996-97 1996-95	349 436	3 864 21 609	4 213 22 045	4 213 22 045	319 899	4 532 22 944	4 532 22 944	319 899	4 851 23 843	4 532 22 944	319 899	4 851 23 843	4 532 22 944	319 899	4 851 23 843	4 532 22 944	319 899	4 851 23 843
UNDP/IDA Trust Fund for the National Environment Support Programme in Mozambique	1996-97 1996-95	289 -	84 140	34 140	34 140	-	34 140	34 140	-	34 140	34 140	-	34 140	34 140	-	34 140	34 140	-	34 140
UNDP Trust Fund for the Mozambique Mine Clearance Programme	1996-97 1996-95	598 -	3 144 4 144	3 742 4 144	3 742 4 144	44 265	3 786 4 409	3 786 4 409	44 265	3 830 4 674	3 786 4 409	44 265	3 830 4 674	3 786 4 409	44 265	3 830 4 674	3 786 4 409	44 265	3 830 4 674
Sweden Trust Fund for "Support to the Programme for Refugee Reintegration and Rehabilitation of Resettlement Areas in Eritrea"	1996-97 1996-95	6 000 -	-	6 000 -	2 311 2 075	-	2 311 2 075	2 311 2 075	-	2 311 2 075	2 311 2 075	-	2 311 2 075	2 311 2 075	-	2 311 2 075	2 311 2 075	-	2 311 2 075
Trust Fund for Demobilisation Support to Electoral Process in Guinea-Bissau	1996-97 1996-95	10 10	-	10 10	30 3 118	-	30 3 118	30 3 118	-	30 3 118	30 3 118	-	30 3 118	30 3 118	-	30 3 118	30 3 118	-	30 3 118
UNDP Trust Fund for Demobilisation, Reintegration, Rehabilitation and Recovery in Sierra Leone	1996-97 1996-95	-	9 851	9 851	9 851	130	10 000	10 000	130	10 130	10 000	130	10 130	10 000	130	10 130	10 000	130	10 130
CIDA/UNDP Trust Fund to Support "Renouveau National de la Population et de l'habitat" in Senegal	1996-97 1996-95	440 100	-	440 100	91 92	-	91 92	91 92	-	91 92	91 92	-	91 92	91 92	-	91 92	91 92	-	91 92
UNDP Trust Fund to Support the Peace Process in South Mali	1996-97 1996-95	1 340 -	5 410 3 140	6 750 3 140	6 750 3 140	205	6 955 3 345	6 955 3 345	205	7 160 3 550	6 955 3 345	205	7 160 3 550	6 955 3 345	205	7 160 3 550	6 955 3 345	205	7 160 3 550
UNDP/Sweden Trust Fund for Support to the Electoral Process in Mali	1996-97 1996-95	-	40	40	40	-	40	40	-	40	40	-	40	40	-	40	40	-	40
UNDP Trust Fund for Bamibia	1996-97 1996-95	425 445	54 513	479 968	479 968	10 113	489 1 081	489 1 081	10 113	500 1 194	489 1 081	10 113	500 1 194	489 1 081	10 113	500 1 194	489 1 081	10 113	500 1 194
United Nations Trust Fund for Operational Programme in Lesotho	1996-97 1996-95	610 481	20 20	630 501	630 501	-	630 501	630 501	-	630 501	630 501	-	630 501	630 501	-	630 501	630 501	-	630 501
UNDP Trust Fund for the UN Educational and Training Programme for Southern Africa (UNETPA)	1996-97 1996-95	-	9 249	9 249	9 249	224	9 473	9 473	224	9 697	9 473	224	9 697	9 473	224	9 697	9 473	224	9 697
UNDP Trust Fund in Support of the Steering Committee and Secretariat for the United Nations Programme of Action for African Economic Recovery and Development	1996-97 1996-95	14 44	5 17	19 61	19 61	15	34 77	34 77	15	49 138	34 77	15	49 138	34 77	15	49 138	34 77	15	49 138

Name of Trust Fund	Year	Income				Expenditure				Refunds to donors and transfers to / from other funds, net	Unspent project budget allocations in project budget at 31 December	Contributions receivable
		Paid balance at 31 January	Regular resources and contributions			Total	Sub-trust funds	Project cost other costs	Sub-trust funds			
			Contribution	Other	Sub-trust funds							
Trust Fund with Money for Support for Governance in Africa	1996-97	10 000	3 343	660	-	8 000	-	660	660	-	11 476	1 600
	1994-95	-	10 000	-	-	10 000	-	-	-	-	10 000	-
African Training and Management Services (ATMS) Project	1996-97	100	3 300	90	-	3 790	-	1 046	100	-	610	-
	1994-95	1 000	810	50	-	1 860	-	3 370	100	-	3 010	200
UNEP/WHO Support of Activities for Africa Trust Fund	1996-97	310	-	36	-	36	-	277	31	-	47	-
	1994-95	100	-	21	-	21	-	-	-	-	110	-
UNEP Trust Fund for Assistance to Refugee-related Development Projects in Africa - ICMA II	1996-97	640	-	10	-	10	-	300	10	-	300	-
	1994-95	1 400	-	10	-	10	-	650	400	-	650	-
UNEP Trust Fund to Combat Poverty and Hunger in Africa	1996-97	1 017	-	10	10	60	-	-	-	-	2 100	-
	1994-95	910	-	17	47	64	-	-	-	-	1 017	-
UNEP/Live Aid Foundation Trust Fund	1996-97	47	-	0	-	0	-	-	-	-	47	-
	1994-95	60	-	3	-	3	-	-	-	-	60	-
Finnish Trust Fund for National Technical Co-operation Assessment and Programme Activities (NATCAP)	1996-97	900	-	60	-	60	-	317	10	-	900	-
	1994-95	900	-	70	-	70	-	91	10	-	900	-
CIDA/UNEP Trust Fund for the African Project Development Facility	1996-97	1 40	-	3	-	3	-	276	10	-	20	-
	1994-95	100	-	4	-	100	-	-	-	-	100	-
UNEP Trust Fund for Receipt of Payments by Users of the African Project Development Facility	1996-97	100	60	27	-	60	-	100	10	-	60	-
	1994-95	400	100	10	-	210	-	637	60	-	100	-
Trust Fund for Special Activities Contribution for the Least Developed Countries	1996-97	400	-	10	-	10	-	60	10	-	400	-
	1994-95	900	-	12	-	12	-	100	110	-	400	-
UNEP Trust Fund for Pooling Agreement or Technical Assistance to the Health Sector	1996-97	1 000	9 000	900	-	9 000	-	9 007	60	-	9 007	-
	1994-95	-	2 012	-	-	2 012	-	11	-	-	1 999	-
Fonds Fiduciaire du WHO Concertant l'Organisation pour l'Assistance en Afrique du Droit des Affaires Médicales (FAM)	1996-97	-	1 010	1 10	-	1 010	-	600	100	-	10 000	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-
UNEP Trust Fund to Support Governance in Africa	1996-97	-	900	-	-	900	-	-	-	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-
UNEP/WHO Trust Fund Agreement for the Africa 2000 Network Programme - Grants to Member States, Countries and Regions	1996-97	-	3 000	-	-	3 000	-	3 000	10 000	-	3 000	-
	1994-95	-	3 000	-	-	3 000	-	3 000	10 000	-	3 000	-
TOTAL UNEP AFRICA	1996-97	32 400	30 207	3 000	-	33 400	-	30 000	3 400	-	30 000	-
	1994-95	11 200	30 210	310	-	31 520	-	30 000	3 520	-	30 000	-

Name of Trust Fund	Year	Regular Resources			Sub-trust Funds	Regular Resources			Total	Refunds to donors and transfers to / from other funds - net			Disbursements as project budget allocations	Disbursements as project budget allocations	Contributions receivable	
		and other income				and other income				Funds - net at 31 December						
		Contribution	Other	Sub-trust Funds		Project cost	Other costs	Funds		Total	Disbursements as project budget allocations	Disbursements as project budget allocations				Contributions receivable
UNEP REGION - III - ASIA/PACIFIC																
UNEP Trust Fund for Rehabilitation and Rehabilitation Assistance for Cambodia	1994-97 1994-95	134 600	- 20	- -	10 47	10 10	- -	10 47	10 47	10 47	10 47	10 47	10 47	10 47	-	
UNEP Trust Fund for Capacity Building in De-mining Operations for Cambodia	1994-97 1994-95	0 410 0 410	10 400 10 470	0 110	- -	10 400 10 470	10 400 10 400	0 000 0 000	10 400 10 470	10 400 10 470	0 000 0 000	10 400 10 470	10 400 10 470	10 400 10 470	-	
Sweden Trust Fund for "Support to De-mining Programmes in Cambodia through the Cambodia Mine Action Centre"	1994-97 1994-95	1 170 1 170	0 140 0 170	140 -	- -	0 440 3 170	0 440 3 170	140 -	0 440 3 170	0 440 3 170	0 440 3 170	0 440 3 170	0 440 3 170	0 440 3 170	3 310 3 310	
Sweden Trust Fund for "Support to Cambodia Reestablishment and Reintegration Programme (CARRE)"	1994-97 1994-95	1 161 1 161	0 610 2 000	61 -	- -	0 494 2 000	0 494 2 000	61 -	0 494 2 000	0 494 2 000	0 494 2 000	0 494 2 000	0 494 2 000	0 494 2 000	31 2 727	
UNEP/Random Trust Fund for "Support to Rural Development in Cambodia"	1994-97 1994-95	- -	0 611 -	60 -	- -	0 601 -	0 601 -	60 -	0 601 -	0 601 -	0 601 -	0 601 -	0 601 -	0 601 -	-	
UNEP Trust Fund in Support of the Cambodia Area Rehabilitation and Reintegration	1994-97 1994-95	- -	0 600 -	- -	- -	0 600 -	0 600 -	- -	0 600 -	0 600 -	0 600 -	0 600 -	0 600 -	0 600 -	-	
UNEP/Random Trust Fund for Alleviation of Poverty Through ACTAD's Association of Cambodian Local Economic Development Agencies Financial Services	1994-97 1994-95	- -	0 140 -	- -	- -	0 140 -	0 140 -	- -	0 140 -	0 140 -	0 140 -	0 140 -	0 140 -	0 140 -	-	
CIDA/UNEP Trust Fund for the Bangladesh National Household Survey Capability Programme	1994-97 1994-95	10 140	- -	0 0	- -	0 140 0	0 140 0	- -	0 140 0	0 140 0	0 140 0	0 140 0	0 140 0	0 140 0	-	
UNEP Fund for Emergency Assistance to the People's Republic of Bangladesh	1994-97 1994-95	100 150	- -	10 10	- -	10 10	10 10	- -	10 10	10 10	10 10	10 10	10 10	10 10	-	
UNEP Fund for the Utilization of the Swedish Funds of the United Nations Special Relief Office in Bangladesh (UNSR)	1994-97 1994-95	472 140	- -	70 60	- -	70 60	70 60	- -	70 60	70 60	70 60	70 60	70 60	70 60	-	
UNEP/Danmark Trust Fund for the "International Training Network Centre for Water Supply and Waste Management in Bangladesh"	1994-97 1994-95	- -	640 -	7 -	- -	640 -	640 -	7 -	640 -	640 -	640 -	640 -	640 -	640 -	640	
UNEP/Sweden Trust Fund for Support to the Science, Technology and Environment Operation in the Lao People's Democratic Republic (STENO)	1994-97 1994-95	100 100	10 100	10 100	- -	10 100	10 100	- -	10 100	10 100	10 100	10 100	10 100	10 100	-	

Name of Trust Fund	Year	Regular Resources and Contributions				Sub-trust Funds	Total	Regular Resources and Contributions				Sub-trust Funds	Total	Articles to transfers to / from other funds - net		Project budget allocations in project budget	Project budget allocations in project budget	Contributions receivable		
		Fund at 1 January		and Contributions				Project cost		and Contributions				Project cost					Transfers to / from other funds - net	
		Contribution	and Contributions	Other	and Contributions			Other	and Contributions	Other	and Contributions			Other	and Contributions				Other	and Contributions
UNDP/Lao People's Democratic Republic Trust Fund for Clearance of Unexploded Ordnance (UXO)	1996-97	310	3 190	97	-	347	0 260	-	-	-	-	(123)	0 900	(399)	884					
	1994-95		310			310									31					
UNDP/Jordan Trust Fund for Support to Integrated Crop and Food Production in Afghanistan	1996-97	760	1 011	93	-	1 877	0 477	642	66	-	949	(121)	663	-	-					
	1994-95		760			760							760							
UNDP/Jordan Trust Fund for Support to the Rural Rehabilitation Programme in Afghanistan	1996-97	688	-	13	-	701	16	270	65	-	437	-	9	-	-					
	1994-95		688			688							688							
UNDP/Afghanistan Emergency Trust Fund	1996-97	(101)	-	1	-	1	(100)	(100)	-	-	(179)	-	179	(99)	-					
	1994-95	26	40	2	-	68	63	140	10	-	183	-	(10)	499	(500)					
Sweden Trust Fund for the project "Support to the Comprehensive Disabled Afghan Programme (CDAP)"	1996-97	300	791	0	-	1091	700	483	74	-	1257	(8)	644	-	308					
	1994-95		300			300							300	-	623					
CIDA/UNDP Trust Fund for the Belarusian National Household Survey Capability Programme	1996-97	49	-	0	-	49	0	-	(33)	-	(83)	-	-	-	-					
	1994-95	96	6	6	-	108	6	11	1	-	123	-	60	31	-					
UNDP Trust Fund for the Republic of Maldives	1996-97	37	(143)	3	-	2	2	-	-	-	-	-	39	3	-					
	1994-95	143	(143)	9	-	(134)	(134)	-	-	-	-	-	27	-	-					
UNDP/UNHCR/Group of Resource Persons for Awareness Creation for Environment and Sustainable Development in Asia	1996-97	54	51	6	-	111	0	-	-	-	-	-	63	80	(99)	37				
	1994-95		51	1	-	52	52	-	-	-	-	-	56	27						
Trust Fund for Environmental Conservation in Bhutan	1996-97	11 039	0 040	932	-	12 011	4 023	114	30	-	1244	(14 130)	-	-	-					
	1994-95	10 400	932	1 031	-	12 363	3 003	207	97	-	3304	-	11 039	13	-					
Sweden Trust Fund for "Strengthening Financial Policies and Institutions in Vietnam"	1996-97	-	471	12	-	483	483	310	30	-	824	(140)	899	310	(101)	120				
	1994-95																			
Australian Development Assistance Bureau (ADB)/UNDP Programme Trust Fund	1996-97	734	-	78	-	812	70	10	-	-	80	-	707	100	-					
	1994-95	701	22	14	-	737	76	44	(1)	-	69	-	736	6	-					
UNDP/Worldwide Trust Fund for Fiscal and Monetary Management Before and Statistical Improvement, Phase II	1996-97	-	829	0	-	829	400	400	30	-	830	-	111	300	(197)	215				
	1994-95																			
UNDP/Republic of Korea Trust Fund in Support of the Taean Silver Area Development Programme	1996-97	-	1 000	0	-	1 000	-	-	-	-	-	-	1 002	-	-					
	1994-95																			
UNDP/Democratic People's Republic of Korea Trust Fund for Agricultural Relief and Rehabilitation Programme	1996-97	-	410	1	-	411	410	170	10	-	160	-	200	17	-					
	1994-95																			
UNDP/ESC Trust Fund Agreement for Multi-Donor Partner Support to the Mekong River Commission for Key Officers Poles and Capacity Building	1996-97	-	310	-	-	310	310	-	-	-	-	-	310	-	-	100				
	1994-95																			

[illegible]

Name of Trust Fund	Income				Expenditure				Unsupport project budget allocations in amount of contributions receivable				
	Year	Paid balance as at 31 January	Regular Resources		Sub-trust funds	Total	Regular Resources			Sub-trust funds	Total	Unsupport project budget allocations in amount of contributions receivable	
			Contribution	Other			Project cost	Other					
UNDP/Sabbia Republic (Vahatua) Trust Fund for the Programme of Assistance to the Northern Indigenous Peoples of the Sabbia Republic	1994-97 1994-95	-	200	0	-	200	1	-	-	1	207	-	-
UNDP/EC Trust Fund Agreement for the Project Support to Refugee and Displaced Persons in Bosnia	1994-97 1994-95	-	1 400	-	-	1 400	1 100	10	-	1 110	600	0 000	0 000
UNDP/EC Trust Fund for Support to Village Employment Creation in Bosnia and Herzegovina	1994-97 1994-95	-	400	0 100	-	500	10	-	-	10	400	0 100	0 100
UNDP/EC Trust Fund for Village Employment and Environment Project in Bosnia and Herzegovina	1994-97 1994-95	-	0 000	0 000	-	0 000	00	-	-	00	0 000	0 000	0 000
UNDP/Bosnia Trust Fund to Support the Rehabilitation and Sustainable Development of War-torn Areas in Croatia	1994-97 1994-95	-	100	-	-	100	100	10	-	110	10	0 000	0 000
UNDP/EC Trust Fund for the Project "Promotion of Social Integration in Latvia: Language Training Programme"	1994-97 1994-95	-	0 000	0 000	-	0 000	-	-	-	-	0 000	0 000	0 000
UNDP/Bosnia Trust Fund for Capacity Development of the Latvian National Human Rights Office	1994-97 1994-95	-	100	-	-	100	100	-	-	100	10	0 000	0 000
TOTAL UNDP INCOME AND CIB	1994-97 1994-95	0 015 0 015	3 000 0 000	300 0 000	- 0 000	3 315 0 000	0 000 0 000	0 000 0 000	- 0 000	0 000 0 000	3 315 0 000	0 000 0 000	0 000 0 000

UNDP INCOME - UNDP TRUST FUNDS AND THE CARIBBEAN

CIDA/UNDP Trust Fund for the Caribbean Project Development Facility

CIDA/UNDP Trust Fund for Receipt of Payment by Users of the Caribbean Project Development Facility

UNDP Trust Fund for Assistance to the Technical Co-operation Fund between Peru and Argentina to Administer Pond Aid

UNDP/Uruguay Trust Fund for the Special Plan of Economic Co-operation for Central America

UNDP Trust Fund for the Regional Project Cultural Heritage and Development

1994-97
1994-95

1994-97
1994-95

1994-97
1994-95

1994-97
1994-95

1994-97
1994-95

1994-97
1994-95

1994-97
1994-95

1994-97
1994-95

Name of Trust Fund	Year	Income				Expenditure				Balance at 31 January 1994	Balance at 31 December 1994	Change in balance	Contributions receivable	
		Regular Resources and Other Contributions		Sub-trust Funds	Total	Regular Resources and Other Contributions		Sub-trust Funds	Total					
		Contribution	Other			Project cost	Other							Project cost
UNEP/JALISCO Trust Fund for Sea Inland Cotton Pilot Production	1986-87	40	-	-	11	41	1	-	40	-	87	47	-	-
	1994-95	41	-	-	9	-	-	-	50	-	40	90	49	-
Trust Fund for the PMR Relocation Policies in El Salvador	1986-87	110	-	10	10	0	0	-	0	(71)	532	120	(91)	-
	1994-95	712	610	40	682	1 079	110	-	1 189	-	536	70	-	-
Trust Fund in Support of Peace Building Activities in El Salvador	1986-87	3 000	400	-	610	0	70	-	3 180	(1 100)	1 400	1 000	-	401
	1994-95	4 000	2 197	200	2 000	3 020	30	-	3 050	-	3 000	400	-	744
Support to the Joint Group in El Salvador	1986-87	40	-	0	0	0	-	-	0	-	40	0	-	-
	1994-95	610	-	0	610	600	10	-	610	-	40	40	-	-
UNEP/Japan Trust Fund in Support of Reintegration Activities in Haiti	1986-87	0 000	-	200	200	1 360	100	-	1 460	-	1 360	1 000	-	-
	1994-95	2 000	-	-	2 000	-	-	-	-	-	2 000	-	-	-
UNEP/United Trust Fund on Support to Improved Handling of Property Issues in Micronesia	1986-87	100	500	10	610	600	0	-	610	(90)	10	70	-	1
	1994-95	400	400	-	800	100	-	-	900	-	100	800	(110)	614
UNEP/Spain Trust Fund for Support to the Governance in Central America	1986-87	11 000	(600)	1 170	800	0 000	700	-	0 200	-	0 200	0 000	-	-
	1994-95	11 000	11 000	-	11 000	-	-	-	11 000	-	11 000	-	-	-
UNEP/European Economic Commission Trust Fund for "90s Technical Assistance Project"	1986-87	-	800	-	800	800	0	-	800	-	(110)	40	(41)	30
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-
UNEP Trust Fund for the Implementation of the Agreement on the Resettlement of Populations Uprooted by Armed Conflict in Guatemala	1986-87	-	0 000	-	0 000	1 000	10	-	1 100	-	3 710	1 400	-	210
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-
UNEP Trust Fund for Electoral Assistance to Haiti	1986-87	-	1 000	-	1 000	1 000	100	-	1 100	-	70	70	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-
UNEP Trust Fund for Assistance to the Haitian National Police	1986-87	-	610	-	610	10	0	-	10	-	600	610	(10)	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL UNEP LATIN AMERICA AND THE CARIBBEAN	1986-87	10 280	7 030	1 971	8 001	12 038	3 102	-	15 140	(1 100)	14 040	1 000	(1 100)	700
	1994-95	6 105	10 110	1 116	11 226	6 035	100	-	6 135	-	10 100	1 150	(1 100)	1 150
FROM MEMBERS - TOTAL														
UNEP Trust Fund for Support to the Resident Coordinator System	1986-87	3 000	-	-	3 000	-	-	-	-	(8 000)	2 000	-	-	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-	-	-
UNEP Trust Fund for the Evaluation of UNDP	1986-87	100	40	0	140	100	20	-	120	-	10	0	-	0
	1994-95	100	-	-	100	0	-	-	100	-	100	100	-	100
UNEP/Switzerland Trust Fund for Habitat	1986-87	-	(40)	-	(40)	-	-	-	-	-	-	-	-	-
	1994-95	10	-	-	10	-	-	-	10	-	-	-	-	-

Name of Trust Fund	Year	Income			Expenditure			Balance at 31 January	Unallocated project budget	Unallocated project budget	Unallocated project budget
		Regular resources and contributions	Sub-trust	Other funds	Regular resources and contributions	Sub-trust	Total				
United Nations Trust Fund on "Efficiency and Effectiveness: Balancing Measures Within UNDP"											
1986-87		3 437	6 750	46	4 813	348	5 161	3 879	1 447	-	
1988-89		3 446	-	-	3 446	-	3 446	3 446	-	-	
1989-90		5 283	5 282	48	5 330	205	5 535	3 289	3 684	-	
1990-91		18	5 465	-	5 483	-	5 483	5 203	284	-	
TOTAL											
United Nations Trust Fund for the Developing Countries Affected by Famine and Malnutrition											
1986-87		1 893	-	100	1 993	-	1 993	866	3 644	(1 770)	
1988-89		870	1 497	79	3 446	-	3 446	3 205	1 234	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		119	-	-	-	-	119	-	-	-	
1988-89		3 283	3 857	72	7 212	61	7 273	666	3 664	(1 378)	
1989-90		1 503	-	-	1 503	-	1 503	1 231	1 234	-	
1990-91		1 837	-	-	1 837	-	1 837	1 837	3 235	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		148	-	40	188	-	188	100	100	-	
1988-89		1 644	-	16	1 660	-	1 660	1 660	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 361	-	3	1 364	-	1 364	1 364	-	-	
1988-89		1 81	-	3	1 84	-	1 84	1 84	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		34	-	9	43	-	43	43	-	-	
1988-89		36	-	9	45	-	45	45	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-	-	-	
TOTAL											
United Nations Trust Fund for the Training in the Russian Federation of Specialists from Developing Countries											
1986-87		1 687	-	59	1 746	-	1 746	1 746	-	-	
1988-89		1 351	-	17	1 368	-	1 368	1 368	-	-	
1989-90		-	-	-	-	-	-	-	-	-	
1990-91		-	-	-	-	-	-	-			

Name of Trust Fund	Income				Expenditure				Unapplied project budget allocations in December 31	Unapplied project budget allocations in December 31	Unapplied project budget allocations in December 31	Unapplied project budget allocations in December 31
	Year	Balance at 1 January	Regular Resource and Cost Recovery		Sub-trust Funds	Total	Regular Resource and Cost Recovery		Sub-trust Funds	Total	Unapplied project budget allocations in December 31	Unapplied project budget allocations in December 31
			Contribution	Other			Project cost	Other cost				
PEM MANAGER - SE/PCDC												
Perse Guerrero Trust Fund for Economic and Technical Co-operation among Developing Countries (Note 28)	1986-87	6 160	-	610	-	610	610	-	-	610	6 160	700
	1994-95	6 200	-	720	-	720	680	-	-	680	6 150	270
UNEP/GEWET Trust Fund for Technological Information Pilot System (TIPS)	1986-87	10	-	100	-	100	100	-	-	100	100	100
	1994-95	-	-	100	-	100	110	-	-	110	10	10
UNEP Trust Fund for the Promotion of South-South Cooperation	1986-87	-	-	200	-	200	-	-	-	-	200	-
	1994-95	-	-	-	-	-	-	-	-	-	-	-
TOTAL SE/PCDC	1986-87	6 170	-	710	-	710	710	-	-	710	6 310	870
	1994-95	6 200	-	720	-	720	690	-	-	690	6 150	310
PEM MANAGER - UN/IMPACT/IMP												
Trust Fund Agreement between UNDP/IMPACT and the Malaysian Organising Committee of Sportfield '88	1986-87	100	-	50	-	50	50	-	-	50	100	-
	1994-95	500	-	10	-	10	10	-	-	10	510	10
TOTAL IMPACT/IMP	1986-87	100	-	50	-	50	50	-	-	50	100	-
	1994-95	500	-	10	-	10	10	-	-	10	510	10
PEM MANAGER - UNDP/IMPACT												
UNDP Trust Fund for Action on Development Issues	1986-87	100	-	10	-	10	10	-	-	10	100	-
	1994-95	1 210	-	2 010	-	2 010	1 910	-	-	1 910	100	100
TOTAL UNDP/IMPACT	1986-87	100	-	10	-	10	10	-	-	10	100	-
	1994-95	1 210	-	2 010	-	2 010	1 910	-	-	1 910	100	100
PEM MANAGER - UN/UNEP												
UNEP Trust Fund for the National Programme of the Fund for Science	1986-87	100	-	6	-	6	6	-	-	6	100	-
	1994-95	170	-	6	-	6	6	-	-	6	120	-
TOTAL UN/UNEP	1986-87	100	-	6	-	6	6	-	-	6	100	-
	1994-95	170	-	6	-	6	6	-	-	6	120	-
PEM MANAGER - UNDP/AAAS STATES												
UNDP/Japan Trust Fund for the Project "Local Administrative Structures in Somalia"	1986-87	-	-	400	-	400	400	-	-	400	-	400
	1994-95	-	-	-	-	-	-	-	-	-	-	-
TOTAL UNDP/AAAS STATES	1986-87	-	-	400	-	400	400	-	-	400	-	400
	1994-95	-	-	-	-	-	-	-	-	-	-	-

^a Note 2 (i).
^b Includes savings on prior business's obligations, where applicable.
^c Off-balance sheet item for information purposes only.
^d Schedule 5.1.

The accompanying notes are an integral part of the financial statements.

Schedule 5.1

Status of sub-trust funds established by the United Nations Development Programme: schedule of income, expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

(Thousands of United States dollars)

Name of Sub-Trust Fund	Income			Expenditure			Fund balance as at 1 January 1996	Refunds to donors and transfers from other funds - DMT	Fund balances as at 31 December 1997	Unspent allocations in excess of project budget	a/ Contributions receivable
	Contributions	Other	Total	Project	Other	Total					
FUND MANAGER - UNF											
1. TRUST FUND TO COMBAT DESERTIFICATION & DROUGHT (UNSD)											
Donor: Sweden											
Creation of Family Wood Lots in the Provinces of Boulkiemde and Sanghaie, Burkina Faso	11	1	12	-	-	-	-	(12)	-	-	-
Support to the Construction and Diffusion of Improved Wood Stoves	2	-	2	-	-	-	-	(2)	-	-	-
Village and Family Woodlots in the Province of Sanghaie and Boulkiemde, Burkina Faso	420	24	444	-	-	-	-	(444)	-	-	-
Integrated Afforestation Project in the Louga, Sahel and M'poko Regions of Senegal	129	7	136	-	-	-	-	(136)	-	-	-
Land Use Management and Agro-Forestry Development in Doudou Niger	173	15	188	350	18	368	-	180	-	-	-
Natural Resource Management (Preparatory Phase), Comoe and Kenedougou Provinces, Burkina Faso	2	-	2	-	-	-	-	(2)	-	-	-
National Seed Procurement and Tree Improvement Project, Ethiopia	238	10	248	352	34	386	-	217	81	16	-
Donor: Norway											
Norway Programme Support to Affected Countries in the context of the Urgent Action for Africa under CCD	2 901	51	2 952	443	6	449	-	-	2 283	2 346	(63)
Donor: Denmark											
Programme of Support to the Implementation under the Convention to Combat Desertification in East and Southern Africa	2 138	52	2 190	269	3	272	-	-	1 919	1 710	-
	975	152	1 127	1 434	41	1 475	-	(322)	4 283	4 082	(63)

Name of Sub-Trust Fund	Income			Expenditure			a/ Project budget allocations in excess of Pond Contributions feasible
	Pond balances as at 1 January 1996	CONTRIBUTIONS	Other	Project	Other	Refunds to donors and transfers to/ as at 31 December 1997	
2. TRUST FUND FOR THE GLOBAL ENVIRONMENTAL FACILITY							
Donor: Australia							
South Pacific Biodiversity Conservation Programme	3 219	-	261	1 654	-	1 654	-
Donor: Charles Stewart Mott Foundation							
Strengthening and Promoting Environmental Funds	80	209	9	206	16	222	-
Donor: Denmark							
Municipal and Industrial Waste Project in the United Republic of Tanzania	1 423	-	130	-	-	1 553	-
	4 722	209	400	1 860	16	3 429	35
3. MULTILATERAL FUND FOR THE IMPLEMENTATION OF THE MONTREAL PROTOCOL							
Donor: Denmark and the United States of America Environmental Protection Agency							
Establishment of a CSC Recycling Centre at Zheijiang Dongyang Chemical Factory	205	-	13	19	-	199	-
Donor: United States of America							
Global/Inter-regional Demonstration Project in Recovery recycling of ODS in Mobile Air-conditioning	-	195	-	152	13	165	-
Donor: SIDA, Sweden							
Technology Transfer/Demonstration and Contribution to Sectoral Funding Strategy for Phasing out ODS Consumption in the Solvent Sector in China	-	404	-	146	1	257	-
	205	599	13	317	14	486	-
4. "CAPACITY 21" TRUST FUND							
Donor: Sweden and The Netherlands							
Support to Country Capacity for National Forest Action Programme	1 919	936	175	735	36	771	-
Donor: European Economic Community							
Integrated Pollution Control in Aleppo (Syrian Arab Republic)	-	159	-	-	-	-	-
Training and Consultancy Package	-	-	-	-	-	-	-
	1 919	1 095	175	735	36	771	-
5. UNEP ENERGY ACCOUNT							
Donor: Resource Development Foundation							
International Energy Efficiency Training Programme	6	-	-	2	-	4	-
	6	-	-	2	-	4	-

[illegible]

Name of Sub-Trust Fund	Income			Expenditure			Refunds to donors and transfers to/ from other funds - 1997	Fund balances as at 31 December 1997	a/ Unspent project budget allocations in excess of Fund Contributions	a/ Unspent project budget allocations in excess of Fund Contributions
	Pund balances as at 1 January 1996	Contributions	Other	Total	Project	Other	Total			
Donor: Switzerland Support to the Judiciary Sector	394	14	20	54	169	28	194	-	254	109
Donor: Canada Support to the Social Integration of Young Unaccompanied and Unemployed Urban Youth	-	714	8	722	947	18	965	-	159	353 (194) 18
Donor: Finland Support for the Rehabilitation of the Justice System	-	210	-	210	94	14	108	-	122	58
Donor: Sweden Capacity Building for Arrest Procedures, Detentions and Transfers of Detainees with Communal Police of Rwanda	-	530	-	530	674	11	685	-	(155)	-
Donor: Norway Training Center for Drivers of Heavy Duty Cars	-	125	-	125	278	4	282	-	(157)	647 (804)
Donor: Italy Support to Health Sector at UNOTFABA Prefecture	-	542	-	542	-	17	17	-	945	534
	7 239	10 776	442	18 457	11 584	563	12 147	-	6 210	8 279 (2 493) 718
				schedule 5			schedule 5		schedule 5.2	
10 UNDP TRUST FUND FOR THE UNITED NATIONS EDUCATIONAL AND TRAINING PROGRAMME FOR SOUTHERN AFRICA (UNETPSA)										
Donor: Italy Programme for Human Resources Development	-	1 201	-	1 201	1 615	129	1 744	-	(543)	-
		1 201		1 201	1 615	129	1 744	-	(543)	-
				schedule 5			schedule 5			
11. UNDP TRUST FUND TO COMBAT POVERTY AND HUNGER IN AFRICA										
Donor: Italy Ethiopia-Italy Programme of Rehabilitation and Development (EIFRD)	644	-	74	74	-	-	-	-	714	35
	644	-	74	74	-	-	-	-	714	35
				schedule 5			schedule 5			

Fund of Sub-Trust Fund	Pond balances as at 1 January 1981	INCOME		EXPENDITURE		Project UNEP	Other UNEP	TOTAL	Refunds to donors and transfers to / from other Funds - 1981	Paid balances as at 31 December 1981	a/ Disputes in amount of Paid Contributions AVAILABLE
		CONTRIBUTION	GRANT	Project UNEP	Other UNEP						
FUND MANAGER - ASIA/PACIFIC											
12. UNDP TRUST FUND FOR SEMI-ARID AND REHABILITATION ASSISTANCE FOR CAMBODIA											
Donor: Sweden											
UNEP/Sweden for the Rehabilitation of Infra-structure in Cambodia	32	-	4	4	10	1	11			19	-
Donor: The Netherlands	(1)	-	-	-	-	-	-		1	-	-
UNEP/Netherlands Trust Fund for Cambodia											
Donor: United States of America	76	-	11	11	-	-	-			89	-
UNDP/United States of America Trust Fund for Cambodia	102	-	11	11	16	1	18		1	116	19
13. UNDP/LAO PEOPLE'S DEMOCRATIC REPUBLIC TRUST FUND FOR CLEARANCE OF UNEXPLODED ORDNANCE											
Donor: Norway											
Strengthening of Environmental Legislation	-	351	12	363	-	-	-		-	363	-
		351	12	363	-	-	-		-	363	-
FUND MANAGER - UNEP/EMEA											
14. UNDP TRUST FUND FOR SUSTAINABLE SOCIAL DEVELOPMENT, PEACE AND SUPPORT TO COUNTRIES IN SPECIAL SITUATIONS											
Donor: Italy											
Support of Sustainable Social Development, Peace and Support to Mozambique	-	20 513	636	21 149	693	81	874		-	20 178	2 020
PROGRESS Bosnia and Herzegovina Programme	-	693	26	719	679	67	746		-	(29)	15 (44)
Programme for the Promotion of Human Development at the Local Level in Central America	-	2 835	51	2 886	1 112	101	1 213		-	1 673	1 220
		24 041	713	24 754	2 485	249	2 732		-	21 315	3 215 (44)

Name of Sub-Trust Fund	Income		Expenditure		Refunds to donors and transfers to other funds - net	Fund balance as at 31 December 1997	a/ Amount allocated in the project budget as at 31 December 1997	a/ Contributions receivable
	Fund balance as at 1 January 1996	Total	Project costs	Other costs				
		Contributions						
FUND MANAGER - QA/PAP								
15. UNDP FUND FOR THE PROGRAMME OF ASSISTANCE TO THE PALESTINIAN PEOPLE								
Donor: CIDA		746	62	808	676	61	737	71
Palestinian Water Resources Action Programme								
Donor: Sweden		1 570	-	1 570	1 480	90	1 570	-
Rehabilitation of Small Scale Infrastructure using Labor Intensive Methods in Village Councils of the Gaza Strip								
Support to the Rehabilitation of Prime Zone in the Old City of Bethlehem		989	9	998	191	21	202	787
Rehabilitation of Youth Centres in the West Bank		437	-	437	437	26	463	(26)
Development of Youth and Women Centres in Four Areas of the Gaza Strip		847	-	847	626	37	663	184
UNDP/CIDA Trust Fund for Non-Formal Education: Youth Centres Project	(28)	42	11	53	(31)	(1)	(4)	29
Support to the Employment Generation Programme in Gaza	49	3 711	-	3 711	3 567	191	3 758	2
Donor: Norway		1 378	-	1 378	460	28	488	890
Employment Generation in the Fields of Municipal, Youth and Public Infrastructure in the Gaza Strip								
Employment Generation in the Fields of Municipal, Youth and Health Infrastructure in the Gaza Strip		1 407	-	1 407	460	28	488	919
	21	11 327	81	11 202	7 824	471	8 295	3 378
								schedule 5.2
TOTAL SUB-TRUST FUNDS	13 860	79 658	2 246	81 504	33 268	2 302	33 570	61 832
								(6 492)

^a Off-balance sheet item for information purposes only.
The accompanying notes are an integral part of the financial statements.

Schedule 5.2

Selected trust funds established by the United Nations Development Programme:
statement of accounts for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Trust Fund to Combat Desertification and Drought (UNSO)		Trust Fund for the Global Environmental Facility		Multilateral Fund for the Implementation of the Montreal Protocol	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME						
Voluntary contributions	1 990	642	110 000	115 900	66 551	89 407
Cost-sharing contributions	6 734	8 489	1 547	6 720	7	-
Sub-trust fund contributions	5 050	2 407	209	5 240	599	205
Sub total	13 774	11 538	111 756	127 860	67 157	89 612
Interest income	1 551	1 096	6 612	3 028	13 968	1 523
Reimbursable support services ^a	459	1 040	-	-	-	-
Miscellaneous income - net	(264)	(26)	(157)	177	(22)	(4)
TOTAL INCOME	15 520	13 648	118 211	131 065	81 103	91 131
EXPENDITURE						
Programme expenditure						
Regular Resources	3 382	4 239	103 729	89 450	60 834	33 944
Cost-sharing	5 674	10 571	1 013	1 192	7	-
Sub-trust funds	1 434	2 079	1 800	640	317	-
Sub total	10 490	16 889	106 602	91 282	61 158	33 944
Programme support - Implementing agents						
Regular Resources	94	83	4 733	5 014	4 074	2 162
Cost-sharing	234	455	3	19	-	-
Sub-trust funds	81	114	16	-	12	-
Sub total	389	652	4 752	5 033	4 086	2 162
Biennial support budget						
Management and administrative costs	3 415	5 639	11 175	7 100	2 219	1 054
Technical support costs	2 136	-	-	-	-	-
UNDP support costs	-	-	996	767	950	304
Reimbursable support services costs ^a	200	1 122	-	-	-	-
Sub total ^b	5 951	6 761	12 171	7 867	3 169	1 358
TOTAL EXPENDITURE	17 030	24 302	123 325	104 182	68 413	37 464
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(1 510)	(10 654)	(5 314)	26 883	12 690	53 667
Savings on prior biennium's obligations	14	-2	70	36	21	-
Transfer (to) from reserves	-	-	-	-	-	-
Refunds to donors and Transfers to/from other funds - net	63	(244)	(755)	-	-	-
Fund balances, 1 January	24 389	35 245	45 218	18 239	72 169	18 502
FUND BALANCES, 31 DECEMBER	22 956	24 389	39 219	45 218	84 800	72 169

The accompanying notes are an integral part of the financial statements.

	Trust Fund to Combat Desertification and Drought (UNSO)		Trust Fund for the Global Environmental Facility		Multilateral Fund for the Implementation of the Montreal Protocol	
	1997	1995	1997	1995	1997	1995
ASSETS						
Cash	21	4	42	-	71	-
Government letters of credit	-	-	-	3 000	-	-
Investments	23 359	14 703	60 213	-	131 456	-
Loans to Governments	-	-	-	-	-	-
Operating funds provided to Governments	4 072	4 281	8 826	4 863	621	551
Operating funds provided to Executing agents	296	518	477	357	-	-
Due from UNDP - Regular Resources	1	4 824	-	58 421	-	90 610
Other accounts receivable and deferred charges	175	1 295	-	-	-	-
Accrued interest	289	134	847	-	2 822	-
TOTAL ASSETS	28 212	25 839	70 404	66 641	136 980	91 161
LIABILITIES						
Operating funds payable to Governments	40	382	3	31	-	-
Operating funds payable to Executing agents	-	-	11 764	10 701	-	-
Unliquidated obligations	267	607	8 639	10 691	19 607	18 992
Management service agreements	416	435	500	-	-	-
Accounts payable	1	16	485	-	-	-
Due to UNDP - Regular Resources	4 532	-	9 804	-	34 493	-
TOTAL LIABILITIES	5 256	1 430	31 185	21 423	50 100	18 992
RESERVES AND FUND BALANCES						
Operational reserve	-	-	-	-	-	-
Unexpended Resources	-	-	-	-	-	-
Regular Resources	11 831	17 526	29 493	34 001	84 394	71 964
Cost-sharing	6 842	5 756	6 271	6 495	-	-
Sub-trust funds	4 283	275	3 455	4 722	486	205
Sub total	22 956	24 257	39 219	45 218	84 880	72 169
Reimbursable support services ^a	-	132	-	-	-	-
Total Unexpended Resources	22 956	24 389	39 219	45 218	84 880	72 169
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER	22 956	24 389	39 219	45 218	84 880	72 169
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	28 212	25 839	70 404	66 641	136 980	91 161
UNSPENT PROJECT BUDGET ALLOCATIONS^c	16 350	14 939	156 954	138 823	55 364	46 218
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES^c	-	-	(117 335)	(93 605)	-	-
CONTRIBUTIONS RECEIVABLE note 34 ^c	5 350	9 141	230	195	-	-
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998^c	90	-	11	-	14 000	-

(note 21)

(note 22)

(note 23)

^a Note 2 (i).^b UNSO: schedule 5.3.^c Off-balance sheet item for information purposes only (comparative amount of contributions received not provided)

The accompanying notes are an integral part of the financial statements

	Capacity 21*Trust Fund		UNDP Emergency Account		UNDP Fund for the Programme of Assistance to the Palestinian People	
	1994-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME						
Voluntary contributions	17 472	26 048	-	5	73 015	65 306
Cost-sharing contributions	210	-	3 196	3 431	-	-
Sub-trust fund contributions	1 095	1 996	-	32	11 127	3 202
Sub total	18 784	28 254	2 196	3 468	83 142	68 508
Interest income	7 369	1 507	483	226	3 289	1 152
Reimbursable support services a	-	-	-	-	-	-
Miscellaneous income - net	7	-	78	11	-	-
TOTAL INCOME	26 160	29 761	2 756	3 705	86 431	69 660
EXPENDITURE						
Programme expenditure						
Regular Resources	13 956	7 046	3 786	2 193	64 745	43 836
Cost-sharing	230	83	-	-	-	-
Sub-trust funds	715	70	2	26	7 894	2 997
Sub total	14 921	7 199	3 788	2 419	72 639	46 833
Programme support - Implementing agents						
Regular Resources	547	390	312	162	4 026	2 867
Cost-sharing	-	-	-	-	-	-
Sub-trust funds	34	6	-	-	427	173
Sub total	583	396	312	162	4 453	3 040
Biennial support budget						
Management and administrative costs	1 408	1 242	435	435	-	-
Technical support costs	-	-	-	-	726	468
UNDP support costs	245	-	-	-	-	-
Reimbursable support services costs a	-	-	-	-	-	-
Sub total	1 653	1 242	435	435	726	468
TOTAL EXPENDITURE	17 157	8 837	4 505	3 016	77 818	50 341
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	9 003	20 924	(1 749)	689	8 613	19 319
Savings on prior biennium's obligations	3	27	-	-	-	-
Transfer (to) from reserves	-	-	-	-	-	-
Refunds to donors and Transfers to/from other funds - net	(141)	-	102	-	(9)	-
Fund balances, 1 January	40 237	19 286	4 743	4 054	30 729	11 410
FUND BALANCES, 31 DECEMBER	49 102	40 237	3 096	4 743	39 333	30 729

The accompanying notes are an integral part of the financial statements.

	*Capacity 21*Trust Fund		UNDP Energy Account		UNDP Fund for the Programme of Assistance to the Palestinian People	
	1997	1998	1997	1998	1997	1998
ASSETS						
Cash	7	-	-	-	-	-
Government letters of credit	-	-	-	-	-	-
Investments	53 927	-	-	-	-	-
Loans to Governments	-	-	-	-	-	-
Operating funds provided to Governments	1 161	743	21	38	-	-
Operating funds provided to Executing agents	-	137	39	111	-	-
Due from UNDP - Regular Resources	-	39 862	3 861	4 676	33 424	36 410
Other accounts receivable and deferred charges	-	-	-	-	6 981	-
Accrued interest	1 128	-	-	-	-	-
TOTAL ASSETS	56 223	40 741	3 891	4 825	40 338	36 410
LIABILITIES						
Operating funds payable to Governments	24	-	9	9	-	-
Operating funds payable to Executing agents	265	-	749	9	-	-
Unliquidated obligations	654	504	47	64	992	5 681
Management service agreements	-	-	-	-	-	-
Accounts payable	-	-	-	-	-	-
Due to UNDP - Regular Resources	6 178	-	-	-	-	-
TOTAL LIABILITIES	7 121	504	805	82	992	5 681
RESERVES AND FUND BALANCES						
Operational reserve	-	-	-	-	-	-
Unexpended Resources	-	-	-	-	-	-
Regular Resources ^a	46 711	38 191	2 874	4 737	36 477	30 708
Cost-sharing	114	127	-	-	-	-
Sub-trust funds	2 277	1 919	4	6	2 856	21
Sub total	49 102	40 237	2 878	4 743	39 333	30 729
Reimbursable support services ^a	-	-	218	-	-	-
Total Unexpended Resources	49 102	40 237	3 096	4 743	39 333	30 729
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER	49 102	40 237	3 096	4 743	39 333	30 729
TOTAL LIABILITIES, RESERVES AND FUND BALANCES	56 223	40 741	3 891	4 825	40 338	36 410
UNSPENT PROJECT BUDGET ALLOCATIONS^c	18 239	13 746	2 217	4 874	37 794	30 727
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES^c	-	-	-	-	-	-
CONTRIBUTIONS RECEIVABLE	598	1 959	2 514	1 316	5 218	8 489
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998^c	155	-	200	-	12 541	-

(note 26)

(note 25)

(note 24)

^a Note 2 (i).^b UNDP Energy Account: regular resources include cost-sharing activities.^c Off-balance sheet item for information purposes only (comparative amount of contributions received not provided)

The accompanying notes are an integral part of the financial statements

	UNDP Trust Fund for Rwanda	
	1996-1997	1994-1995
INCOME		
Voluntary contributions	44 650	13 464
Cost-sharing contributions	-	-
Sub-trust fund contributions	10 776	7 241
Sub total	55 426	20 705
Interest income	1 256	-
Reimbursable support services ^a	-	-
Miscellaneous income - net	(6)	-
TOTAL INCOME	56 676	20 705
EXPENDITURE		
Programme expenditure		
Regular Resources	17 723	3 564
Cost-sharing	-	-
Sub-trust funds	11 484	3
Sub total	29 207	3 567
Programme support - Implementing agents		
Regular Resources	628	24
Cost-sharing	-	-
Sub-trust funds	267	-
Sub total	895	24
Biennial support budget		
Management and administrative costs	-	-
Technical support costs	-	-
UNDP support costs	1 568	239
Reimbursable support services costs ^a	-	-
Sub total	1 568	239
TOTAL EXPENDITURE	31 670	3 830
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	25 006	16 875
Savings on prior biennium's obligations	-	-
Transfer (to) from reserves	-	-
Refunds to donors and Transfers to/from other funds - net	-	-
Fund balances, 1 January	16 875	-
FUND BALANCES, 31 DECEMBER	41 881	16 875

The accompanying notes are an integral part of the financial statements.

		UNDP Trust Fund for Rwanda	
		1997	1995
ASSETS			
Cash		-	-
Government letters of credit	schedule 8	-	-
Investments		-	-
Loans to Governments		-	-
Operating funds provided to Governments		6 523	218
Operating funds provided to Executing Agents		-	-
Due from UNDP - Regular Resources		43 993	16 924
Other accounts receivable and deferred charges		-	-
Accrued interest		-	-
TOTAL ASSETS		50 466	17 142
LIABILITIES			
Operating funds payable to Governments		-	-
Operating funds payable to Executing Agents		7 582	24
Unliquidated obligations		1 003	243
Management service agreements		-	-
Accounts payable		-	-
Due to UNDP - Regular Resources		-	-
TOTAL LIABILITIES		8 585	267
RESERVES AND FUND BALANCES			
Operational reserve		-	-
Unexpended Resources		35 571	9 636
Regular Resources		-	-
Cost-sharing		6 310	7 239
Sub-trust funds		41 881	16 875
Sub total		-	-
Reimbursable support services ^a		-	-
Total Unexpended Resources		41 881	16 875
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER		41 881	16 875
TOTAL LIABILITIES, RESERVES AND FUND BALANCES		50 466	17 142
UNSPENT PROJECT BUDGET ALLOCATIONS^b			
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES ^b		23 524	6 639
CONTRIBUTIONS RECEIVABLE	note 34 b	-	-
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1996 ^b		4 959	-
(note 27)			

^a Note 2 (i).

^b Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

Schedule 5.3

Trust funds established by the United Nations Development Programme: biennial support budget for the biennium ended 31 December 1997

(Thousands of United States dollars)

Trust Fund	Revised appropriation 1996 - 1997	1996-1997 Expenditure		Unencumbered balance 31 December 1997	Expenditure 1994-1995 a/ 1996-1997
		Disbursements	Unliquidated obligations		
Trust Fund to Combat Desertification and Drought					
Management and administrative costs	4 418	3 597	18	803	5 639
Technical support costs	2 613	2 125	11	477	-
	7 031	5 722	29	1 280	5 639
Reimbursable support services costs	-	-	-	-	1 122
Total	7 031	5 722	29	1 280	6 761
					schedule 5.2

a Prior biennium's figures not restated to accord with budget harmonization.
The accompanying notes are an integral part of the financial statements.

Schedule 5.4
Status of bilateral and other resources received under management service agreements

(Thousands of United States dollars)

Source of funding	Recipient country	Balance as at 1 January 1996	Income received a/	Cost of Services b/		Transfers/Refunds	Unencumbered balance as at 31 December 1997
				Disbursements	Unliquidated obligations		
Executed by United Nations Office for Project Services							
UNSO							
Australia	Eastern and Southern Africa	(95)	525	115	-	-	315
Sweden	Burkina Faso	173	14	-	-	(66)	101
Sweden	Niger	220	-	-	-	(220)	-
Sweden	Senegal	137	-	(27)	-	(164)	-
		435	539	88	-	(470)	415
							<u>schedule 5.2</u>
OECD							
World Bank	Regional - Europe	-	500	-	-	-	500
							<u>schedule 5.2</u>
UNEP TRUST FUND FOR AFRICA 2000 NETWORK							
Japan	Regional - Africa	307	-	-	-	-	307
Total		742	1 039	88	-	(470)	1 223
							<u>statement 12.2</u>

a These amounts represent advances received from donors in accordance with management service agreements entered into by these trust funds for the provision of bilateral and other programmes.

b These amounts represent the cost of services provided by the trust funds in accordance with management service agreements.

The accompanying notes are an integral part of the financial statements.

Schedule 6

Reimbursable support services and miscellaneous activities
Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Management Service Agreements		Other Professional Offices		Insurance for Field Offices		Reimbursable Support Services		Special Activities		Total Reimbursable Services and Miscellaneous Activities	
	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997
EXPENSES												
Outlets/clinics	219 324	219 324	64 478	67 810	-	-	-	-	9 689	-	379 046	327 276
Interest income	13 149	7 479	-	-	-	-	6 898	-	-	-	13 149	9 579
Other income - net	-	-	-	-	9 343	9 817	118 715	99 659	-	-	149 816	99 022
TOTAL EXPENSES	232 473	226 804	64 478	67 810	9 343	9 817	124 813	99 659	9 689	-	542 011	435 877
REVENUES												
Programs	119 849	204 061	67 439	61 409	-	-	-	-	-	-	187 249	327 400
Program support - implementation aspects	-	-	9 376	4 949	-	-	-	-	-	-	9 376	4 949
Program support to Resident Coordinator	-	-	-	-	-	-	-	-	-	-	6 190	6 190
Biennial support budget	-	-	-	-	6 034	6 105	149 918	64 214	1 000	-	153 044	92 319
TOTAL REVENUES	119 849	204 061	67 439	61 409	6 034	6 105	149 918	64 214	1 000	-	355 687	430 768
EXCESS (SHORTFALL) OF EXPENSE OVER REVENUES	112 624	122 743	-	6 401	-	-	-	-	-	-	186 324	7 109
Write off and provisions/recovery	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES (INCLUDING WRITE OFF AND PROVISIONS/RECOVERY)	119 849	204 061	67 439	61 409	6 034	6 105	149 918	64 214	1 000	-	355 687	430 768
Savings on prior biennium's obligations	-	-	-	-	13	-	649	644	-	-	644	644
Transfer to reserves	-	-	-	-	-	-	-	-	-	-	-	-
Transfer from reserves	(15 339)	-	-	-	-	-	306	1 943	3 000	-	8 149	1 943
Transfer to Demore and Transfers to/from other funds - net	-	-	-	-	-	-	-	-	-	-	-	-
Fund balances, 1 January	79 184	73 941	6 870	6 042	6 049	1 003	68 340	34 136	-	-	144 006	117 242
TOTAL BALANCE, 31 DECEMBER	112 624	122 743	6 870	6 042	6 049	1 003	68 340	34 136	-	-	144 006	117 242

a RFA: refers to repairs and maintenance costs; see schedule 6.3.

b Note 11 and statement IV.1

The accompanying notes are an integral part of the financial statements

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Management Service Agreements		Junior Professional Officers Programme		Reserve for Field Accommodation		Sustainable Support Services		Special Activities		Total Sustainable Services and Rehabilitation Activities	
	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988	1987	1988
ASSETS												
Cash	-	-	-	-	-	-	3 400	3 943	-	-	3 400	3 943
Accounts receivable and deferred charges	-	-	-	-	-	-	-	-	-	-	-	-
Due from UNDP-regular resources	-	-	-	-	-	-	-	-	-	-	-	-
Due from NFA to UNDP-regular resources	-	-	-	-	-	-	-	-	-	-	-	-
Agency reimbursement of construction costs	160 263	134 196	0 330	6 970	-	-	99 289	52 312	1 300	-	249 251	193 484
Other accounts receivable and deferred charges	-	-	-	-	-	-	-	-	-	-	-	-
Accrued interest	-	-	-	-	89	-	380	134	-	-	1 041	810
Long-term accounts receivable	-	-	-	-	-	-	-	-	-	-	-	-
Loans to Governments	-	-	-	-	3 127	-	-	-	-	-	3 127	-
Construction costs	-	-	-	-	3 884	-	-	-	-	-	3 799	-
Capitalised Rehabilitation	-	-	-	-	66 653	-	-	-	-	-	66 653	-
Household Appliances Rental Scheme	-	-	-	-	4 723	-	-	-	-	-	4 723	-
Allowance for write down	-	-	-	-	309	-	-	-	-	-	309	-
	-	-	-	-	(1 312 564)	-	-	-	-	-	(1 312 564)	-
TOTAL ASSETS	160 263	134 196	8 666	7 610	61 689	54 264	10 060	56 452	1 300	-	316 471	253 332
LIABILITIES												
Unliquidated obligations	-	-	-	-	-	-	-	-	-	-	-	-
Accounts payable	19 737	59 010	636	656	30	102	3 240	2 160	45	-	23 776	62 128
Due to UNDP-regular resources by NFA	-	-	-	-	37 483	21 407	10 686	12 795	-	-	10 436	12 795
Government advances for housing disposal	-	-	-	-	-	-	-	-	-	-	-	-
Agency reimbursement of construction costs	-	-	-	-	918	-	-	-	-	-	37 483	21 407
Reserve for transitional measures	-	-	-	-	3 493	3 493	-	-	-	-	3 493	3 493
Reserve for budgeted separations	-	-	-	-	-	-	-	-	-	-	-	-
Deferred rental income	-	-	-	-	306	109	-	-	-	-	306	109
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	19 737	59 010	636	656	33 366	25 252	13 276	15 155	45	-	315 431	100 385
RESERVES AND FUND BALANCES												
Operational reserve	-	-	-	-	-	-	-	-	-	-	-	-
Reserve for Field Accommodation-authorised level	-	-	-	-	29 600	-	-	-	-	-	29 600	-
Reserve for Field Accommodation-cumulative surplus (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Unexpended resources	81 516	75 104	0 330	6 970	(6 184)	4 495	82 389	61 254	1 303	-	166 289	127 911
TOTAL RESERVES AND FUND BALANCES	81 516	75 104	0 330	6 970	18 046	29 495	82 389	61 254	1 303	-	292 289	152 911
TOTAL LIABILITIES AND RESERVES AND FUND BALANCES	101 253	134 114	8 966	7 610	61 689	54 252	95 665	76 407	1 303	-	386 471	253 332

The accompanying notes are an integral part of the financial statements.

Schedule 6.1

Management service agreements – status of bilateral and other resources received under management service agreements for the biennium ended 31 December 1997

(Thousands of United States dollars)

Source of funding	Recipient country	Balance as at 1 January 1996	Income received ^a		Cost of services ^b			Transfers to (from)	Unencumbered balance as at 31 December 1997
			Deposits	Interest earnings	Disburse- ments	Unliquidated obligations	Total cost		
Netherlands	Afghanistan	—	733	—	—	—	—	—	733
Italy	Albania	—	906	—	—	—	—	—	906
EEC	Albania	90	—	12	(9)	22	13	—	89
IADB	Argentina	3 626	2 165	265	3 595	2 066	5 661	—	395
World Bank	Argentina	6 756	5 010	668	5 334	3 896	9 230	(456)	2 748
Government (World Bank)	Argentina	5 356	454	474	2 672	354	3 026	82	3 340
Japan	Benin	273	2 589	89	2 309	446	2 755	—	196
Government	Bhutan	(3)	—	—	—	—	—	—	(3)
World Bank	Bolivia	473	16	61	104	—	104	—	446
USAID	Bolivia	1	—	0	—	—	—	—	1
Government (World Bank)	Bolivia	9	—	0	—	—	—	—	9
Germany	Bolivia	61	—	7	—	—	—	—	68
Government	Bolivia	0	—	—	—	—	—	—	—
Japan	Bolivia	122	—	3	125	—	125	—	—
Multiple	Bolivia	13	—	2	—	—	—	—	15
IADB	Bolivia	58	1 121	15	1 156	—	1 156	—	38
Italy	Bosnia and Herzegovina	—	4 651	—	823	989	1 812	—	2 839
SICA	Bosnia and Herzegovina	—	984	45	983	—	983	—	46
Japan	Burkina Faso	510	4 375	250	2 538	1 295	3 833	—	1 302
United States of America	Cambodia	12	—	1	—	—	—	—	13
Japan	Cambodia	611	1 800	70	2 402	35	2 437	—	44
Japan	Cameroon	58	—	—	—	—	—	—	58
Japan	Central African Republic	25	4 640	283	3 586	1 217	4 803	—	145
Italy	Central America	(8)	—	19	85	—	85	—	(74)
Italy	Chad	52	—	6	—	—	—	—	58
Italy	Colombia	(19)	19	—	—	—	—	—	—
Government	Congo	93	—	7	57	—	57	—	43
USAID	Costa Rica	12	—	1	—	—	—	—	13
World Bank	Costa Rica	30	—	2	—	—	—	—	32
Japan	Côte d'Ivoire	3 226	22 661	612	25 127	1 205	26 332	—	167
Italy	Cuba	48	—	5	—	—	—	—	53

Source of funding	Recipient country	Balance as at 1 January 1996	Income received ^a		Cost of services ^b			Transfers to (from)	Unencumbered balance as at 31 December 1997
			Deposits	Interest earnings	Disburse- ments	Unliquidated obligations	Total cost		
Japan	Djibouti	—	2 507	24	—	—	—	—	2 531
Government	Djibouti	190	—	22	(5)	—	(5)	—	217
World Bank	Djibouti	25	—	3	—	—	—	—	28
Government	Dominican Republic	81	(68)	7	—	—	—	—	20
IFAD	Democratic People's Republic of Korea	—	1 550	1	1 553	—	1 553	—	(2)
World Bank	Ecuador	5 445	8 922	845	7 634	561	8 195	(706)	6 311
Government (World Bank)	Ecuador	1 332	549	87	1 964	187	2 151	614	431
Netherlands	Egypt	10	—	1	—	—	—	—	11
Italy	Egypt	104	—	12	—	—	—	—	116
IFAD-MSA	El Salvador	(454)	3 649	20	2 732	212	2 944	—	271
Italy	El Salvador	971	(200)	153	9	57	66	—	858
Japan	El Salvador	746	3 876	111	4 734	—	4 734	—	(1)
USAID	Eritrea	(3)	1 350	51	643	13	656	—	742
Italy	Ethiopia	213	6 190	109	2 272	1 407	3 679	—	2 833
World Bank	Ethiopia	39	—	6	24	5	29	—	16
Italy	Global	224	367	30	600	30	630	—	(9)
World Bank	Guatemala	90	92	15	113	7	120	—	77
IFAD	Guatemala	212	90	15	192	—	192	—	125
IADB	Guatemala	—	823	—	51	96	147	—	676
Netherlands	Guatemala	99	—	12	—	—	—	—	111
Japan	Guinea	3 506	4 976	485	7 102	1 700	8 802	—	165
Italy	Guinea	5	—	1	—	—	—	—	6
World Bank	Haiti	—	2 000	—	—	—	—	—	2 000
Switzerland	Haiti	—	—	—	4	—	4	—	(4)
Canada	Haiti	4	72	1	74	—	74	—	3
World Bank	Honduras	122	(122)	7	—	—	—	—	7
Japan	Honduras	—	21 562	568	15 352	6 207	21 559	—	571
World Bank	Indonesia	—	—	—	—	—	—	—	—
IFAD-MSA	Indonesia	138	588	19	511	—	511	—	234
Norway	Interregional	1 134	624	96	972	210	1 182	—	672
Sweden	Interregional	530	1 800	74	895	329	1 224	—	1 180
Italy	Interregional	20	—	2	—	—	—	—	22
Denmark	Interregional	699	6 204	252	2 777	1 022	3 799	68	3 424
Government	Iraq	—	—	—	—	—	—	—	—
Norway	Kyrgyzstan	—	503	—	19	20	39	—	464
Government	Kyrgyzstan	1	—	—	—	—	—	—	1
Denmark	Kyrgyzstan	(26)	876	26	845	—	845	—	31

Source of funding	Recipient country	Balance as at 1 January 1996	Income received ^a		Cost of services ^b			Transfers to (from)	Unencumbered balance as at 31 December 1997
			Deposits	Interest earnings	Disburse- ments	Unliquidated obligations	Total cost		
Australia	Lao People's Democratic Republic	29	—	3	—	—	—	—	32
									(245) ^c
Japan	Madagascar	1 313	8 440	263	3 892	6 369	10 261	—	4 831
Japan	Mali	72	17 661	328	12 933	297	13 230	—	6
World Bank	Mali	73	—	1	68	—	68	—	760
Japan	Mauritania	1 364	12 370	389	4 011	9 352	13 363	—	2
Government	Mexico	2	—	—	—	—	—	—	(1)
Japan	Mongolia	144	99	12	256	—	256	—	—
Netherlands	Mongolia	(2)	—	—	(2)	—	(2)	—	4
Netherlands	Mongolia	4	—	—	—	—	—	—	—
Denmark	Mongolia	—	(1)	1	—	—	—	—	199
World Bank	Mongolia	218	—	19	38	—	38	—	3 809
Japan	Nicaragua	(1 968)	19 617	491	9 102	5 229	14 331	—	138
Japan	Niger	4 433	—	437	4 566	166	4 732	—	(1)
World Bank	Pakistan	—	(1)	—	—	—	—	—	6 132
Italy	Palestine	6 026	999	725	1 615	3	1 618	—	(1 469)
Finland	Palestine	—	—	—	1 463	6	1 469	—	778
SICA	Palestine	—	1 000	44	184	82	266	—	251
World Bank	Papua New Guinea	(381)	1 593	31	949	43	992	—	9
Australia	Papua New Guinea	8	—	1	—	—	—	—	205
World Bank	Peru	—	980	9	767	17	784	—	546
Japan	Peru	14 040	4 749	678	18 519	402	18 921	—	13 414
Government	Peru	602	62 710	73	29 919	20 052	49 971	—	790
IADB	Peru	(2 581)	15 953	624	10 726	1 707	12 433	(773)	4
Government	Peru	—	229	—	215	10	225	—	623
Australia	Philippines	404	731	36	513	35	548	—	—
Denmark	Philippines	442	(424)	50	—	—	—	(68)	869
France	Regional - Africa	441	630	68	213	57	270	—	15
Sweden	Regional - Africa	9	—	5	(1)	—	(1)	—	—
Italy	Regional - Asia	—	—	—	—	—	—	—	40
Finland	Regional - Asia	180	—	18	158	—	158	—	136
Joint	Regional - Europe	129	—	7	—	—	—	—	108
Italy	Regional - Latin America	98	—	11	1	—	1	—	635
IADB	Regional - Latin America	(358)	2 914	33	1 954	—	1 954	—	25
World Bank	Latvia	22	—	3	—	—	—	—	1
Japan	Sao Tome and Principe	22	—	3	24	—	24	—	406
Japan	Senegal	—	12 239	295	11 623	505	12 128	—	263
CEC	Somalia	199	25	16	(23)	—	(23)	—	

Source of funding	Recipient country	Balance as at 1 January 1996	Income received ^a		Cost of services ^b			Transfers to (from)	Unencumbered balance as at 31 December 1997
			Deposits	Interest earnings	Disburse- ments	Unliquidated obligations	Total cost		
Japan	Somalia	1 963	—	230	—	—	—	—	2 193
IFAD-MSA	Somalia	(22)	1 217	55	698	303	1 001	—	249
World Bank	Saint Kitts and Nevis	250	—	32	9	—	9	—	273
Italy	Sudan	1 190	(186)	134	—	—	—	—	1 138
Finland	Thailand	216	—	36	77	—	77	—	175
Japan	Togo	—	4 265	109	203	3 284	3 487	—	887
United States of America	Trust Territory of the Pacific Islands	3	—	1	—	—	—	—	4
World Bank	Turkey	4 676	19 468	463	19 255	2 492	21 747	—	2 860
Government	Turkey	—	356	—	—	3 410	3 410	—	(3 054)
United States of America	Turkey	515	—	58	—	—	—	—	573
World Bank	Uganda	1 188	2 452	98	3 388	218	3 606	—	132
Sweden	Uganda	(4)	—	2	(4)	—	(4)	—	2
Government	Uganda	640	264	16	795	72	867	—	53
Government	United Republic of Tanzania	56	565	16	427	147	574	—	63
World Bank	United Republic of Tanzania	350	(4)	19	18	—	18	—	347
IADB	Venezuela	—	860	—	42	670	712	—	148
Australia	Viet Nam	170	284	19	—	—	—	—	473
World Bank	Yemen	—	—	—	—	—	—	—	—
Japan	Zaire	791	—	151	(778)	—	(778)	—	1 720
CEC	Zaire	—	1 148	—	305	88	393	—	755
Australia	Zimbabwe	901	1 245	81	1 050	123	1 173	—	1 054
Total UNDP MSAs		74 809	315 351	12 147	241 122	78 727	319 849	(1 239)	81 219
Executed by other Agents									
Czechoslovakia	Interregional	375	—	22	—	—	—	—	397
Grand total		75 184	315 351	12 169	241 122	78 727	319 849	(1 239)	81 616

Schedule 6

Schedule 6

^a These amounts represent advances received from donors and interest earned, in accordance with Management service agreements entered into by UNDP for the provision of bilateral and other programmes.

^b These amounts represent the cost of services provided by UNDP in accordance with Management service agreements.

^c Amount of \$4,056,087 for Madagascar projects was received in February 1998.

The accompanying notes are an integral part of the financial statements.

Schedule 6.2

**Junior Professional Officers programme: status of fund for the biennium ended
31 December 1997**

(Thousands of United States dollars)

Sources of Financing	Balance as 1 January 1996	Receipts	Disbursements	Support costs	Total Disbursements	Balance as at 31 December 1997
Donor countries						
Australia	175	94	159	19	178	91
Austria	(407)	1 843	1 424	171	1 595	(159) a/
Belgium	2 757	4 088	4 452	519	4 971	1 874
Canada	(856)	1 138	882	105	987	(705)
Denmark	1 440	13 182	10 511	1 261	11 772	2 850
Finland	633	1 719	1 183	143	1 325	1 027
France	322	2 638	2 370	284	2 654	206
Germany	1 266	3 632	3 699	444	4 143	755
Italy	(74)	1 528	1 405	168	1 573	(119)
Japan	458	6 044	3 715	445	4 160	2 342
Luxembourg	(91)	714	679	81	760	(137) a/
Netherlands	629	7 104	6 762	812	7 574	159
Norway	455	2 439	2 760	331	3 091	(197)
Portugal	(10)	430	405	49	454	(34) a/
Rep of Korea		474	197	24	221	253
Spain	(521)	2 616	2 359	283	2 642	(547)
Sweden	370	2 101	2 035	245	2 280	191
Switzerland	475	2 123	1 896	228	2 124	474
United Kingdom	57	568	546	65	611	14
Total	6 378	54 475	47 439	5 676	53 115	8 338 schedule 6

* At 25 March 1998, the following amounts were received: Austria, \$100,371; Luxembourg, \$263,939; and Portugal, \$88,761.

The accompanying notes are an integral part of the financial statements.

Schedule 6.3

Reserve for Field Accommodation

Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

A/53/5/Add.1

	Reserve for Field Accommodation		Office Premises		UN's Reimbursable Support		Total
	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	
INCOME							
Rental income	6 399	9 136	-	-	-	7 677	9 136
Gain (loss) on foreign exchange	-	-	3 978	-	-	-	-
Investment income	-	-	-	-	-	-	-
Other income - net	171	-	-	-	381	826	381
TOTAL INCOME	6 570	9 136	3 978	-	381	8 383	9 517
EXPENDITURE							
Repairs and maintenance	3 310	5 652	471	-	-	3 781	5 652
Other	486	95	-	-	358	1 085	453
TOTAL EXPENDITURE	3 796	5 747	471	-	358	4 866	6 105
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	2 774	3 389	807	-	23	3 497	3 412
Write off and provisions/recovery	(8 129)	-	(6 080)	-	-	(14 139)	-
NET INCOME (SHORTFALL) OF INCOME OVER EXPENDITURE	(5 355)	(2 691)	(5 273)	-	23	(10 642)	(3 412)
Savings on prior biennium's obligations	-	-	-	-	13	13	-
Transfer to reserves	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Fund balances, 1 January	3 873	925	2 141	-	381	6 496	1 083
FUND BALANCES, 31 DECEMBER	(1 482)	(1 766)	(3 932)	-	380	(1 646)	(4 495)

Schedule 6

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Reserve a/		Office Premises a/		UN's Reimbursable Support Services		Total
	1997	1995	1997	1995	1997	1995	
ASSETS							
Accounts receivable and deferred charges							
Due from Regular Resources	-	-	-	-	-	-	-
Other accounts receivable and deferred charges	87	-	-	-	-	-	87
Long-term accounts receivable	1 127	-	-	-	-	-	1 127
Loans to Governments	1 824	2 799	-	-	-	-	1 824
Construction costs	18 111	46 453	26 447	-	-	-	2 799
Capitalized Rehabilitation	4 721	5 177	-	-	-	-	46 453
Household Appliance Rental Scheme	309	333	-	-	-	-	5 177
Allowance for write down	(5 934)	-	(4 000)	-	-	-	333
TOTAL ASSETS	20 645	54 762	26 447	-	-	-	54 762
LIABILITIES							
Unliquidated obligations	-	-	-	-	10	102	102
Accounts payable	-	-	-	-	(300)	(383)	-
Due to Regular Resources	(1 977)	21 790	19 848	-	-	-	17 451
Government advances for housing disposal	918	-	-	-	-	-	21 407
Agency reimbursement of construction costs	-	3 651	3 651	-	-	-	918
Deferred rental income	156	107	-	-	-	-	3 651
TOTAL LIABILITIES	(821)	25 548	23 499	-	(380)	(281)	156
Reserve for Field Accommodation authorized level	35 000	35 000	-	-	-	-	23 246
Reserve for Field Accommodation-cumulative surplus (deficit)	(3 452)	4 214	(3 082)	-	380	281	25 000
TOTAL LIABILITIES AND FUND BALANCES	30 645	54 762	20 417	-	-	-	54 762

annex 4

^a This statement shows the split between office premises and housing for the biennium 1996-1997 only because of difficulties in reconstructing prior period figures as recognized in document ACC/1995/FB/R.31; the 1994-1995 comparatives are being shown only under housing.

The accompanying notes are an integral part of the financial statements.

Schedule 6.4

Reimbursable support services
Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)	Reimbursable Support Services related to non UNDP Activities		Reimbursable Support Services related to Programme Activities Financed by Other Donors		Reimbursable Support Services provided by UNDP		Total Reimbursable Support Services	
	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997	1996-1997
INCOME								
Contributions								
Interest income	517	26 173	5 483	56 876	5 681	5 256	6 880	80 505
Other income - net	28 443		97 419				121 713	
TOTAL INCOME	28 960	26 173	102 902	56 876	5 681	5 256	132 713	80 505
EXPENDITURES								
Programme support - Agencies								
Programme support to Resident Coordinator	28 880	27 551	72 126	54 481	4 839	3 982	106 418	66 214
Biennial support budget		27 551	72 126	54 481	4 839	3 982	106 418	66 214
TOTAL EXPENDITURES	28 880	27 551	72 126	54 481	4 839	3 982	106 418	66 214
NET INCOME (PROFIT/LOSS) OF INCOME OVER EXPENDITURES	100	100	30 776	2 395	842	1 274	26 295	14 291
Savings on prior biennium's obligation								
Transfer (to) from reserve	946	465	177	100	26	19	946	1 963
Transfers (to) from other funds								
Fund balance, 1 January	8 902	9 615	17 073	26 140	1 674	381	48 269	36 136
FUND BALANCE, 31 DECEMBER	9 848	10 080	17 250	26 240	1 674	381	49 215	38 136

* Note 11 and statement IV.2.

Assets, liabilities and reserves and fund balances at 31 December

(Thousands of United States dollars)

	Reimbursable Support Services related to non-UNEP activities		Reimbursable Support Services related to Programme activities financed by other resources		Reimbursable Support Services provided by UNEP		Total Reimbursable Support Services	
	1987	1988	1987	1988	1987	1988	1987	1988
ASSETS								
Cash	18 848	9 557	-	32 343	3 488	3 943	3 488	3 943
Accounts receivable and deferred charges	-	-	73 889	-	-	-	-	-
Due from Regular Resources	-	-	-	-	-	-	-	-
Other accounts receivable and deferred charges	-	-	-	-	-	-	-	-
Loans to Government	-	-	-	-	-	-	-	-
Long-term Accounts Receivable	-	-	-	-	-	-	-	-
Construction costs	-	-	-	-	-	-	-	-
Capitalized Rehabilitation	-	-	-	-	-	-	-	-
Household Appliance Rental Scheme	-	-	-	-	-	-	-	-
Allowance for write down	-	-	-	-	-	-	-	-
TOTAL ASSETS	18 848	9 557	73 889	32 343	3 488	3 943	3 488	3 943
	382	655	3 837	3 483	30	22	3 340	2 360
	-	-	-	-	10 436	12 796	10 436	12 796
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	382	655	3 837	3 483	18 483	12 812	13 273	13 135
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-
	9 718	9 902	69 822	30 678	3 832	1 676	61 339	41 234
TOTAL LIABILITIES	9 718	9 902	69 822	30 678	3 832	1 676	61 339	41 234
	10 840	9 557	73 889	32 343	3 488	3 943	98 866	56 409
TOTAL LIABILITIES AND FUND BALANCES	10 840	9 557	73 889	32 343	3 488	3 943	98 866	56 409

The accompanying notes are an integral part of the financial statements.

Schedule 6.5

Special activities

Income and expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Support to UN Resident Coordinator		United Nations System		Other		Total Annual Activities	
	1996-1997	1998-1999	1996-1997	1998-1999	1996-1997	1998-1999	1996-1997	1998-1999
INCOME								
Contributions	1 943	-	986	-	922	-	3 851	-
Interest income	-	-	-	-	-	-	-	-
Other income - net	-	-	-	-	-	-	-	-
TOTAL INCOME	1 943	-	986	-	922	-	3 851	-
EXPENDITURES								
Programme support - Agencies	-	-	-	-	-	-	-	-
Programme support to Resident Coordinator	4 190	-	-	-	-	-	4 190	-
Biennial support budget	-	-	788	-	767	-	1 495	-
TOTAL EXPENDITURE	4 190	-	788	-	767	-	5 483	-
NET SURPLUS (DEFICIT) OF INCOME OVER EXPENDITURE	(2 247)	-	(202)	-	(245)	-	(1 632)	-
Savings on prior biennium's obligations	2	-	-	-	1	-	3	-
Transfer to reserves	2 586	-	400	-	-	-	2 986	-
Transfer from reserves	-	-	-	-	-	-	-	-
Refunds to Donors and Transfers to/from other funds - net	-	-	-	-	-	-	-	-
Fund balances, 1 January	-	-	-	-	-	-	-	-
FUND BALANCE, 31 DECEMBER	363	-	606	-	216	-	1 185	-

Assets, liabilities and fund balances as at 31 December

(Thousands of United States dollars)

	Support to the Resident Coordinator		United Nations System		Other		Total Special Activities	
	1987	1985	1987	1985	1987	1985	1987	1985
ASSETS								
Cash	-	-	-	-	-	-	-	-
Accounts receivable and deferred charges	354	-	606	-	246	-	1 206	-
Due from Regular Resources	-	-	-	-	-	-	-	-
TOTAL ASSETS	354	-	606	-	246	-	1 206	-
LIABILITIES								
Unliquidated obligations	13	-	-	-	32	-	45	-
	33	-	-	-	32	-	45	-
TOTAL LIABILITIES	46	-	-	-	64	-	89	-
Unexpended Resources	341	-	606	-	214	-	1 163	-
TOTAL LIABILITIES AND FUND BALANCES	387	-	606	-	278	-	1 252	-

Schedule 6

The accompanying notes are an integral part of the financial statements.

Schedule 6.6

Inter-Agency Procurement Service Office: income and expenditure and fund balance for the biennium ended 31 December 1997

(Thousands of United States dollars)

	Trading Activities 1994-1997
INCOME	
Procurement handling fees	4 957
Insurance income	330
Training fees	123
Sales of publications	77
Miscellaneous income	354
TOTAL INCOME	5 841
EXPENDITURE	
Salaries	1 738
Other management and administrative costs	3 101
TOTAL EXPENDITURE	4 839
NET INCOME OF TRADING ACTIVITIES	912
Savings on prior biennium's obligations	25
Fund balance, 1 January	1 674
FUND BALANCE, 31 DECEMBER	2 512

schedule 6.4

This statement contains the figures for the current biennium only because of difficulties in reconstructing prior period figures, as recognized in document ACC/1995/FB/R.31.

The accompanying notes are an integral part of the financial statements.

Schedule 7

Funds established by the General Assembly and administered by the United Nations
Development Programme: statement of accounts for the biennium ended
31 December 1997

(Thousands of United States dollars)

	United Nations Capital Development Fund		United Nations Revolving Fund for Natural Resources Exploration		United Nations Fund for Science and Technology for Development	
	1986-1997	1994-1995	1986-1997	1994-1995	1986-1997	1994-1995
INCOME						
Voluntary contributions	68 632	63 902	1 472	2 632	178	183
Cost-sharing contributions	342	308	-	-	44	-
Sub-trust fund contributions	359	5 847	-	-	-	-
Sub total	69 333	70 054	1 472	2 632	222	183
Interest income	14 890	11 659	326	99	104	129
Reimbursable support services ^a	3 994	2 512	-	-	-	22
Miscellaneous income - net	(356)	(215)	6	63	(8)	17
TOTAL INCOME	86 967	84 010	1 804	2 794	318	351
EXPENDITURE						
Programme expenditure						
Regular Resources	76 827	82 738	654	458	157	193
Cost-sharing	370	314	-	-	6	138
Sub-trust funds	1 774	1 764	32	8	86	159
Sub total	78 871	84 816	686	466	249	490
Programme support - Implementing agents						
Regular Resources	1 658	2 529	-	-	11	11
Cost-sharing	-	7	-	-	1	11
Sub-trust funds	139	155	-	-	(3)	21
Sub total	1 797	2 691	-	-	11	43
Biennial support budget						
Management and administrative costs	4 031	8 782	764	895	-	358
Technical support costs	7 339	1 749	372	491	-	-
UNDP support costs	-	-	-	-	-	-
Reimbursable support services costs ^a	3 741	2 538	-	-	-	71
Sub total	15 111	13 069	1 136	1 386	-	429
TOTAL EXPENDITURE	95 779	102 576	1 822	1 852	260	962
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	(8 812)	(18 566)	(18)	942	58	(611)
Savings on prior biennium's obligations	32	9	-	7	-	-
Transfer (to) from reserves	(4 800)	15 700	-	-	-	(70)
Refunds to donors and Transfers to/from other funds - net	-	-	(6)	-	(3)	-
Fund balances, 1 January	80 202	83 059	3 167	2 218	1 125	1 806
FUND BALANCES, 31 DECEMBER	66 622	80 202	3 143	3 167	1 180	1 125

The accompanying notes are an integral part of the financial statements.

	United Nations Capital Development Fund		United Nations Revolving Fund for Natural Resources Exploration		United Nations Fund for Science and Technology for Development	
	1997	1995	1997	1995	1997	1995
ASSETS						
Cash	589	422	14	110	41	61
Government letters of credit	-	-	-	-	-	-
Investments	135 232	106 574	3 379	1 003	860	976
Loans to Governments	5 637	9 672	-	522	-	-
Operating funds provided to Governments	-	-	-	-	168	202
Operating funds provided to Executing Agents	700	1 590	-	-	12	10
Due from UNDP - Regular Resources	-	10 487	-	1 512	-	-
Other accounts receivable and deferred charges	1 275	2 562	-	-	174	158
Accrued interest	3 001	1 411	47	10	10	4
TOTAL ASSETS	136 434	132 718	3 440	3 177	1 265	1 411
LIABILITIES						
Operating funds payable to Governments	-	-	-	-	32	36
Operating funds payable to Executing Agents	3 552	1 282	-	-	1	19
Unliquidated obligations	6 678	11 034	36	10	30	15
Accounts payable	-	-	-	-	-	-
Due to UNDP - Regular Resources	14 582	-	261	-	22	216
Other liabilities	-	-	-	-	-	-
TOTAL LIABILITIES	24 812	12 316	297	10	85	286
RESERVES AND FUND BALANCES						
Operational reserve	45 000	40 200	-	-	-	-
Unexpended Resources	61 578	74 022	3 111	3 102	792	677
Regular Resources	200	128	-	-	37	34
Cost-sharing	1 630	3 091	32	65	351	404
Sub-trust funds	63 408	77 241	3 143	3 167	1 170	1 115
Sub total	3 214	2 961	-	-	10	10
Reimbursable support services ^a	66 622	80 202	3 143	3 167	1 180	1 125
Total Unexpended Resources	111 622	120 402	3 143	3 167	1 180	1 125
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER	136 434	132 718	3 440	3 177	1 265	1 411
TOTAL LIABILITIES, RESERVES AND FUND BALANCES						
UNSPENT PROJECT BUDGET ALLOCATIONS ^b	22 214	25 973	338	385	422	681
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES ^b	-	-	-	-	-	-
CONTRIBUTIONS RECEIVABLE ^b	3 034	6 267	1 063	49	784	827
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998 ^b	6 820	-	1 000	-	3	-

(note 31)

(note 30)

(note 29)

^a Note 2 (i).^b Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

	United Nations Development Fund for Women		United Nations Volunteers Programme		TOTAL FUNDS	
	1996-1997	1994-1995	1996-1997	1994-1995	1996-1997	1994-1995
INCOME						
Voluntary contributions	25 291	24 850	7 900	3 434	103 473	95 001
Cost-sharing contributions	7 150	5 732	252	-	7 788	6 037
Sub-trust fund contributions	2 195	2 711	18 659	16 145	21 103	24 703
Sub total	34 636	33 293	26 811	19 579	132 364	125 741
Interest income	623	487	4 390	2 707	19 533	15 081
Reimbursable support services ^a	910	493	12 757	2 193	17 661	5 220
Miscellaneous income - net	(136)	503	7 694	9 305	7 208	9 753
TOTAL INCOME	36 025	34 856	51 652	33 784	176 766	155 795
EXPENDITURE						
Programme expenditure						
Regular Resources	14 322	22 714	8 078	11 253	100 038	117 356
Cost-sharing	5 374	5 256	82	-	5 732	5 708
Sub-trust funds	1 656	2 045	14 695	10 114	18 243	16 090
Sub total	21 352	30 015	22 855	21 367	124 013	139 154
Programme support - Implementing agents						
Regular Resources	(8)	233	-	-	1 661	2 773
Cost-sharing	389	81	8	-	398	99
Sub-trust funds	177	237	1 850	781	2 165	1 194
Sub total	558	551	1 858	781	4 224	4 066
Biennial support budget schedule 7.2						
Management and administrative costs	2 387	5 598	-	-	7 182	15 633
Technical support costs	3 778	1 165	-	-	11 489	3 405
UNDP support costs	-	-	-	-	-	-
Reimbursable support services costs ^a	241	305	11 744	2 064	15 726	4 978
Sub total	6 406	7 068	11 744	2 064	34 397	24 016
TOTAL EXPENDITURE	28 316	37 634	36 457	24 212	162 634	167 236
EXCESS (SHORTFALL) OF INCOME OVER EXPENDITURE	7 709	(2 778)	15 195	9 572	14 132	(11 441)
Savings on prior biennium's obligations	65	33	-	-	97	49
Transfer (to) from reserves	(3 500)	5 100	-	-	(8 300)	20 800
Refunds to donors and Transfers to/from other funds - net	-	-	(29)	-	(38)	(70)
Fund balances, 1 January	8 013	5 658	28 533	18 941	121 020	111 682
FUND BALANCES, 31 DECEMBER	12 287	8 013	43 679	28 513	126 911	121 020

overview

The accompanying notes are an integral part of the financial statements.

	United Nations Development Fund for Women		United Nations Volunteers Programme		TOTAL FUNDS	
	1997	1995	1997	1995	1997	1995
ASSETS						
Cash	848	6	-	9	1 482	626
Government letters of credit	-	-	-	-	-	-
Investments	14 507	526	37 179	27 887	101 157	136 966
Loans to Governments	-	-	-	-	5 637	10 194
Operating funds provided to Governments	1 690	2 279	-	-	1 858	2 481
Operating funds provided to Executing agents	528	282	-	-	1 240	1 882
Due from UNDP - Regular Resources	-	5 557	11 053	4 982	11 052	22 538
Other accounts receivable and deferred charges	-	30	2 692	1 336	4 141	4 086
Accrued interest	236	9	560	411	3 854	1 845
TOTAL ASSETS	17 809	8 687	51 483	34 625	210 431	180 618
LIABILITIES						
Operating funds payable to Governments	97	21	-	-	129	57
Operating funds payable to Executing agents	207	41	-	-	3 760	1 342
Unliquidated obligations	1 184	605	16	206	7 944	11 870
Accounts payable	97	7	2 397	1 620	2 484	1 627
Due to UNDP - Regular Resources	477	-	-	-	15 342	216
Other liabilities	-	-	5 391	4 286	5 391	4 286
TOTAL LIABILITIES	2 022	674	7 804	6 112	35 020	19 358
RESERVES AND FUND BALANCES						
Operational reserve	3 500	-	-	-	48 500	40 200
Unexpended Resources	5 768	4 101	23 482	12 876	94 731	94 778
Regular Resources	3 505	2 119	162	-	3 894	2 281
Cost-sharing	2 159	1 607	16 800	13 415	20 972	18 582
Sub-trust funds	11 432	7 827	40 444	26 291	119 597	115 641
Sub total	855	186	3 235	2 222	7 314	5 379
Reimbursable support services ^a	12 287	8 013	43 679	28 513	126 911	121 020
Total Unexpended Resources	15 787	8 013	43 679	28 513	175 431	161 220
TOTAL RESERVES AND FUND BALANCES, 31 DECEMBER	17 809	8 687	51 483	34 625	210 431	180 618
TOTAL LIABILITIES, RESERVES AND FUND BALANCES						
UNSPENT PROJECT BUDGET ALLOCATIONS ^b	15 335	20 730	23 326	19 722	61 655	67 492
UNSPENT PROJECT BUDGET ALLOCATIONS IN EXCESS OF FUND BALANCES ^b	(3 903)	(12 903)	-	-	(3 903)	(12 903)
CONTRIBUTIONS RECEIVABLE	6 984	2 051	1 153	1 532	13 018	10 726
CONTRIBUTIONS RECEIVED: 1 JAN - 31 MARCH 1998 ^b	7 310	-	1 525	-	16 658	-
						overview

^a Note 2 (i).^b Off-balance sheet item for information purposes only (comparative amount of contributions received not provided).

The accompanying notes are an integral part of the financial statements.

Schedule 7.1

Status of sub-trust funds of the funds established by the General Assembly and administered by the United Nations Development Programme: schedule of income, expenditure and fund balances for the biennium ended 31 December 1997

(Thousands of United States dollars)

Name of Sub-Trust Fund	Income			Expenditure			Fund balances as at 1 January 1998	Refunds to donor countries from other funds - 1997	Fund balance as at 31 December 1997	a/ Disrupt project budget allocations in excess of fund balance	b/ Disrupt project budget allocations in excess of fund balance	c/ Contributions attributable
	Contributions	Other	Total	Project	Other	Total						
FUND MANAGER - UNCTAD												
1 UNITED NATIONS CAPITAL DEVELOPMENT FUND												
Donor: Belgium	104	22	22	-	-	-	104	-	126	-	-	-
Irrigated Agriculture in Farer Plain												
Aménagement et Gestion des Terroirs de la Plaine												
Seno - Oondo	1 566	116	116	726	81	777	1 566	-	995	-	-	1 356
Donor: Norway	46	5	5	-	-	-	46	-	49	-	-	-
Production of School Premises												
Environmental Guidelines Conference	3	-	-	-	-	-	3	-	3	-	-	-
Donor: Switzerland	119	14	14	-	-	-	119	-	133	-	-	-
Suspension Bridges (Phase II)												
Suspension Bridges (Phase III)	303	254	279	628	-	628	303	-	154	22	-	441
Donor: Netherlands	652	11	11	525	83	608	652	-	55	62	-	404
Green Deep Technology Irrigation Project												
Wholesale Fruit and Vegetable Market in Al Husseinah	100	5	5	95	5	100	100	-	5	-	-	184
	3 091	259	482	1 274	132	1 938			1 610	64		2 529
									schedule 7			
FUND MANAGER - EDP												
2 UNITED NATIONS REVOLVING FUND FOR NATURAL RESOURCES REFORMATION												
Donor: Japan	59	5	5	32	-	32	59	-	32	18	-	-
Mineral Exploration in SADC Region												
Donor: Norway	6	-	-	-	-	-	6	(6)	-	-	-	-
UNEP/WHO Environmental Protection Guidelines												
	65	5	5	32	-	32		(6)	32	18	-	-
									schedule 7			
3 UNITED NATIONS FUND FOR SCIENCE AND TECHNOLOGY FOR DEVELOPMENT												
Donor: France	38	4	4	1	-	1	38	-	41	-	-	-
Strengthening Management of Technology Capacity at the School of Management Asian Institute of Technology (AIT)												
Donor: Germany	14	1	1	(14)	(1)	(13)	14	-	32	31	-	-
Policy Dialogue for Strengthening Indigenous Capacities in Science and Technology												
Donor: Italy	10	2	2	-	-	-	10	-	32	-	-	-
Non-destructive Testing Network for Resistant Structures in Latin America and the Caribbean (Phase II)												

1 P/P/S/ES/A

Name of Sub-Trust Fund	Income				Expenditures				Refunds to donors and transfers to/ from other funds - net	Paid balances as at 31 December 1977	n/ Unexpended project budget allocations	n/ Unexpended project budget allocations in excess of Paid balance	n/ Contributions receivable
	Paid balance as at 1 January 1978	Total			Project costs	Other costs	Total						
		Contributions	Other	Total									
Development of National Scientific and Technological Capacity in Natural Resources Management through Aerial and Satellite Photo Interpretation Resources	44	-	4	4	-	-	-	-	44	-	-	-	-
Recommissioning and Exploration for Geochemical Resources	10	-	2	2	-	-	-	-	12	-	-	-	-
Application of Technologies Appropriate for Rural Areas (Phase II)	27	-	(6)	(6)	-	-	-	-	21	-	-	-	51
Establishment of the Beijing National Food Technology and Quality Control Research Development Centre	239	-	23	23	99	-	99	-	163	-	-	-	-
Danish: Survey Arranging the Computer Education and Computing Capability at the Asian Institute of Technology (AIT)	20	-	2	2	-	-	-	-	22	-	-	-	-
	454	-	23	23	12	99	11	11	351	31	-	-	71
FOOD SECURITY - WFP/FAO													
6 UNITED NATIONS DEVELOPMENT FUND FOR WOMEN													
Donor: EEC Post Beijing follow-up in Western Asia	-	288	(3)	287	301	-	-	-	301	14	-	(38)	10
Women's Economic Empowerment in Syria	-	46	-	46	-	-	-	-	-	46	333	(107)	406
Assistance Programme for Women's Empowerment in Lebanon	-	-	-	-	-	-	-	-	-	-	464	(464)	464
Reproductive Health and Economic Empowerment	-	-	-	-	-	-	-	-	-	-	463	(463)	464
Political Empowerment of Somali Women NGOs	-	-	-	-	-	-	-	-	-	-	-	-	-
Donor: Denmark Credit Scheme for Productive Activities of Women in the United Republic of Tanzania	1 072	-	128	128	161	31	182	-	1 018	-	247	-	-
Japan: Contribution to the Centre for Social Development and Humanitarian Affairs	146	-	24	24	-	-	-	-	170	-	-	-	-
Donor: Japan, Denmark, Republic of Korea Trust Fund for the Elimination of Violence against Women	-	1 290	3	1 293	677	94	771	-	522	-	1 936	(1 414)	1 417
Donor: Netherlands African women for Conflict Resolution and Peace (Phase I)	181	316	5	321	378	49	427	-	75	-	359	(124)	124
Belgium Conference Preparations in Anglophone West Africa	28	15	1	16	49	-	49	5	-	-	-	-	-
Donor: Sweden Women, Environment and Development	65	-	11	11	46	6	52	-	24	-	24	-	-
United Nations Consolidated Inter-Agency Appeal for Persons Affected by the Crisis in Rwanda	23	-	5	5	13	2	15	-	13	-	14	(1)	-
Improving Statistics on Gender Issues	92	-	5	5	31	5	36	-	61	-	60	-	-
Capacity-Building Support for Women's Peace Activities in Burundi	-	230	-	230	-	-	-	-	230	-	484	(284)	-
	3 607	2 155	19	2 166	3 554	177	3 831	-	2 152	32	4 084	(2 867)	4 62

Name of Sub-Trans Fund	Fund balances as at 1 January 1992	Income				Expenditure				a/ Unspent project budget allocations in excess of project budget fund balance	b/ Contributions received
		CONTRIBUTIONS	OTHER	TOTAL	Project	Other	Transfers to/ from other funds - MFL	Fund balance as at 31 December 1992	a/ Unspent project budget allocations		
FUND MANAGER - UNV											
5. UNITED NATIONS VOLUNTARIES PROGRAMME											
Donor: Argentina	889	1 100	79	1 179	1 370	127	-	671	671	-	-
White Helmets Initiative											
Donor: Belgium	160	-	16	16	67	4	-	109	97	-	-
Technical Assistance to the Centre for Human Rights in Cambodia											
Donor: Philippines	89	-	9	9	55	4	-	39	35	-	-
Women and Peace Initiative in the Philippines											
UNV Multi-sectoral Assistance to Angola	-	1 020	110	1 130	1 079	106	-	1 943	1 813	-	-
Donor: Canada	2	-	1	1	-	-	-	3	-	-	-
UNV Specialists to Support UNHCR Humanitarian Assistance Activities											
Donor: France	1 113	361	110	471	799	53	-	772	766	-	-
Government of France Support for the Development of Volunteerism											
White Helmets Initiative	-	116	-	116	-	-	-	136	116	-	-
Donor: Germany	290	-	10	10	218	29	-	55	33	-	-
Community Oriented Development Programme Strengthening and Capacity											
White Helmets Initiative	192	-	7	7	108	11	-	80	80	-	-
Africa Domestic Development Services Programme	697	-	-	-	616	80	-	1	-	-	-
Assistance to Repatriation and Rehabilitation Programme through a National UNV Scheme	-	826	-	826	101	10	-	715	715	-	-
Donor: Ireland	-	50	-	50	6	1	-	43	43	-	-
Support to UNISTAR Multi-sectoral Support to Entrepreneurs and Small to Medium Scale Enterprise Development											
Donor: Italy	-	560	-	560	-	-	-	560	-	-	-
Italian National Participation in UNV Programme Activities											
Donor: Japan	90	-	8	8	43	3	-	32	-	-	-
Multi-sectoral Specialist Support in the South Pacific											
UNV Multi-sectoral Technical Support for Development and Humanitarian Assistance	43	-	5	5	14	-	(13)	21	-	-	-
UNV Multi-sectoral Technical Support for Development and Humanitarian Assistance (Phase II)	18	-	2	2	6	-	(14)	-	-	-	-
UNV Multi-sectoral Technical Support for Development and Humanitarian Assistance (Phase III)	70	-	8	8	11	1	-	66	-	-	-
Technical Support to UNHCR and other United Nations agencies in Humanitarian Assistance for Cambodia	34	-	4	4	1	-	(13)	26	-	-	-
UNV Technical Support to Relief and Humanitarian Assistance in South-East Asia and other areas (Phase I)	-	-	-	-	(2)	-	-	2	2	-	-

Name of Sub-Trust Fund	Income				Expenditure				Refunds to donors and transfers to other funds - net	Paid balance as at 31 December 1997	a/ Disrupt project budget allocations	a/ Disrupt project budget allocations in arrears of fund	a/ Contributions 1998/1999
	Paid balance as at 1 January 1998	Contributions	Other		Project costs	Other costs	Total						
UNV Preparatory Assistance to UNHCR for Elections in Cambodia	45	-	5	5	21	1	22	(15)	13	-	-	-	
United Nations 100-Day Action Programme for Accelerated Humanitarian Assistance for Somalia	455	-	49	49	310	22	332	-	152	23	-	-	
UNV Technical Support to Relief and Humanitarian Assistance in South-East Asia and other areas (Phase II)	3	-	3	3	6	-	6	-	-	-	-	-	
Assistance to Development of Basic Education in Northwestern Provinces, Cambodia	90	-	9	9	47	3	50	-	49	10	-	-	
Support to UNV Humanitarian Relief, Rehabilitation and Repatriation Activities	303	-	33	33	222	14	236	-	100	87	-	-	
United Nations Consolidated Inter-Agency Appeal for Support to UNV Humanitarian Relief to Rwanda	45	-	7	7	27	1	28	-	24	15	-	-	
Sustainable Development of Small Island States in the Caribbean	44	-	4	4	14	2	16	-	10	5	-	-	
UNV Technical Assistance in Support of Human Rights Activities in Central America	193	-	18	18	110	9	119	-	72	54	-	-	
UNV Multi-sectoral Assistance to Island Countries in Asia and Pacific	254	-	25	25	258	17	275	-	4	-	-	-	
Japanese support to Enhancement of Security of United Nations Volunteer Specialists	449	-	51	51	164	10	176	-	124	100	-	-	
UNEP/UNV Multi-sectoral Technical Support for Entrepreneurship and Small and Medium-scale Enterprise Development	21	-	5	5	8	-	8	-	18	10	-	-	
Support for Human Relief	2 500	-	129	129	1 129	113	1 242	-	1 387	1 289	-	-	
UNV Multi-sectoral Support to Humanitarian Emergency, Peace Building, Peace Keeping Rehabilitation and Reconstruction Activities	592	-	60	60	410	28	438	-	194	127	-	-	
Development of Basic Education in Northwestern Provinces through the strengthening of Community Temple Learning Centres	162	-	16	16	118	9	127	-	31	15	-	-	
UNV/Japan Trust Fund for Multi-sectoral Support for Humanitarian Assistance	-	3 000	27	3 027	590	58	648	-	2 379	2 351	-	-	
Multi-Sectoral Support for Humanitarian Assistance, Peace Keeping Operations, Rehabilitation Activities and Sustainable Human Development	-	3 000	-	3 000	-	-	-	-	3 000	-	-	-	
Promotion of UNV in Japan	-	-	-	-	-	-	-	56	56	56	-	-	
Donor: Norway Somalia Appeal	6	-	1	1	-	-	-	-	7	2	-	-	
Support for United Nations Volunteers Sub-Regional Programme for South Asia for Consultancy on Popular Culture Development - NORAD	20	-	2	2	11	-	11	-	11	9	-	-	
Donor: Republic of Korea Republic of Korea Trust Fund for UNV and Training	379	125	41	166	147	11	178	-	167	187	-	-	
Donor: Spain Support for Volunteer Contribution to Development	727	844	32	896	1 476	147	1 623	-	-	-	-	-	

Name of Sub-Trust Fund	Income			Expenditure			a/ Discharge project budget allocations in kind of balance	a/ Discharge project budget allocations in kind of balance	a/ Contributions possible	
	Paid balances as at January 1991	Contributions	Other	Total	Project	Other				Total
Donor: Sweden										
Humanitarian Assistance in the Gulf Region	21	-	2	2	-	-	-	-	23	18
UNV Specialists for Humanitarian Relief in the Horn of Africa	18	-	4	4	4	-	4	-	34	38
UNV Support to UNHCR Programmes in Central America	(7)	-	3	3	(4)	1	(3)	-	(1)	-
Programme Drought Emergency Southern Africa (DESA)	55	-	6	6	1	-	1	-	40	44
United Nations Consolidated Inter-Agency Appeal for Persons Affected by the Crisis in Rwanda	-	-	1	1	(7)	(1)	(8)	-	9	8
United Nations Consolidated Inter-Agency Appeal for Support to UNV Activities in Rwanda	29	-	4	4	29	2	31	-	2	2
UNV Programme in Britania within the Sepha Appeal 199	259	-	24	24	153	10	163	-	90	67
Support to UNV in Rwanda	-	274	-	274	41	5	46	-	228	228
Donor: Switzerland										
Domestic Development Services (DDDS)	94	-	10	10	(1)	-	(1)	-	105	88
Regional Programme in Asia	343	-	15	15	244	17	261	-	97	55
Peace Building and Peacemaking Trust Fund	-	148	-	148	95	10	105	-	43	43
UNV Support to Local Resettlement of Dismobilized Combatants in Mozambique	-	-	-	-	-	-	-	-	-	-
Donor: Netherlands										
Netherlands Facility for UNV Support from Central Europe to Developing Countries	543	-	64	64	319	20	339	-	288	186
Netherlands Support for UNV/Domestic Development Services	43	-	7	7	44	3	49	-	1	-
Inter-Agency Humanitarian Programme for Iraq/Kuwait	29	-	3	3	-	-	-	(28)	3	-
Deployment of UNV Specialists to Support United Nations Humanitarian Assistance Activities in Somalia	159	-	18	18	24	2	28	-	149	166
West-East South Programme Lecturers at the Eduardo Mondlane University	120	-	6	6	239	14	255	-	(129)	48
Mozambique University	58	-	-	-	-	-	-	-	58	-
Special Emergency Programme for the Horn of Africa (SEPMA) Appeal - 1991	23	-	3	3	5	-	5	-	11	-
SNV Support to the UNV Programme in the Lao People's Democratic Republic (SUNV)	565	-	60	60	257	17	274	-	351	772
Netherlands Facility for UNV Support from Central Europe to Developing Countries	772	756	73	829	647	42	689	-	812	902
Netherlands Support to UNV DSS for Poverty Eradication	-	1 567	29	1 596	1 130	109	1 239	-	357	1 160
Inter-Agency Appeal for Rwanda	-	73	-	73	10	1	11	-	62	62
Donor: United Kingdom										
United Kingdom/Liberian Emergency Relief Trust Fund	9	-	2	2	-	-	-	-	11	1
Low Income Urban Community Participatory Primary Environmental Care Project	(33)	39	-	39	5	-	5	-	1	-

Name of Sub-Trust Fund	Income			Expenditure			a/ Project budget allocations in amount of Funds - MFL	a/ Project budget allocations in amount of Funds - MFL	a/ Project budget allocations in amount of Funds - MFL	a/ Project budget allocations in amount of Funds - MFL	a/ Project budget allocations in amount of Funds - MFL
	Fund balances as at 1 January 1991	Contributions	Other	Project costs	Other costs	Total					
Interim Appeal for Rwanda	23	-	5	3	-	3	-	24	-	-	-
United Nations Inter-Agency Appeal for Emergency Assistance for Water and Sanitation Projects in Yemen	89	-	7	83	5	88	-	6	7	-	-
Emergency Humanitarian Assistance Programme for Rwanda	-	-	2	-	-	-	-	2	1	-	-
Inter-Agency Appeal for Rwanda	33	-	-	46	3	49	-	(14)	-	-	-
Donor: United Nations Humanitarian Economic Assistance Programme to Afghanistan	59	-	7	55	7	62	-	4	51	(47)	840
UNV Support to United Nations Inter-Agency Humanitarian Programme in Iraq	78	-	6	-	-	-	-	86	72	-	-
Donor: United Nations/Canada Youth Partners in Agreement	54	-	2	22	-	22	-	34	-	-	-
Donor: United States of America	5	-	-	(4)	-	(4)	-	9	-	-	-
United Nations Volunteers for Service with UNHCR and WFP	(1)	-	-	(1)	-	(1)	-	-	-	-	-
Inter-Agency Humanitarian Programme for Iraq	-	689	6	695	331	36	357	338	267	-	-
Donor: Italy	-	-	-	-	-	-	-	-	-	-	-
United Nations International Short-Term Advisory Resources	-	-	-	-	-	-	-	-	-	-	-
Donor: Austria	-	-	-	-	-	-	-	-	-	-	-
United Nations Trust Fund for Security and Cooperation in Europe (UNSC) Trust Fund for Logistical Assistance to Elections in Bosnia and Herzegovina	-	92	-	42	66	66	-	6	-	-	-
UNW/UNHCR Trust Fund for Supervisory Assistance to Elections in Bosnia and Herzegovina	-	1 189	-	1 189	388	942	(240)	7	-	-	-
UNW Trust Fund between the Organisation for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	-	-	190	83	273	218	(55)	-	-	-
UNW Trust Fund between the Organisation for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	-	-	-	38	38	22	(14)	-	-	-
UNW Trust Fund between the Organisation for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	578	-	578	131	649	-	(79)	-	-	-
UNW Trust Fund between the Organisation for Security and Cooperation in Europe (OSCE) to Assist with the Supervision of Elections in Bosnia and Herzegovina	-	-	-	23	6	31	-	(11)	19	(50)	-
TOTAL SUB-TRUST FUNDS	33 415	3 452	3 222	3 215	3 452	3 452	(28)	14 820	33 296	(1 488)	840
	33 415	3 452	3 222	3 215	3 452	3 452	(28)	14 820	33 296	(1 488)	840
	33 415	3 452	3 222	3 215	3 452	3 452	(28)	14 820	33 296	(1 488)	840

a Off-balance sheet item for information purposes only.

The accompanying notes are an integral part of the financial statements.

Schedule 7.2

Funds established by the General Assembly and administered by the United Nations
Development Programme: biennial support budget for the biennium ended
31 December 1997

(Thousands of United States dollars)

Funds	Revised EXERCISES 1996 - 1997		1996-1997 Unliquidated obligations		Unencumbered balance 31 December 1997		Expenditure 1994-1995 &/	
	DISBURSEMENTS	TOTAL	DISBURSEMENTS	TOTAL	DISBURSEMENTS	TOTAL	DISBURSEMENTS	TOTAL
United Nations Capital Development Fund								
Management and administrative costs	4 135	3 935	96	4 031	104	8 782		
Technical support costs	7 529	7 330	29	7 359	120	1 749		
	11 664	11 265	125	11 390	224	10 531		
Reimbursable support services costs	-	-	-	3 741	-	2 530		
	11 664	11 265	125	15 131	224	13 061		
Total				15 131	224	13 061		
United Nations Revolving Fund for Natural Resources Exploration								
Management and administrative costs	1 147	749	15	764	383	895		
Technical support costs	571	372	-	372	199	421		
	1 718	1 121	15	1 136	582	1 316		
Reimbursable support services costs	-	-	-	-	-	-		
	1 718	1 121	15	1 136	582	1 316		
Total				1 136	582	1 316		
United Nations Fund for Science and Technology for Development								
Management and administrative costs	-	-	-	-	-	358		
Technical support costs	-	-	-	-	-	-		
Reimbursable support services costs	-	-	-	-	-	71		
	-	-	-	-	-	429		
Total				-	-	429		

Funds	Revised appropriation 1996 - 1997	1996-1997, Unaudited obligations		Unencumbered balance 31 December 1997	Expenditure 1996-1997, a/
		Disbursements	Total		
United Nations Development Fund for Women					
Management and administrative costs	2 540	2 343	2 387	153	5 598
Technical support costs	4 021	3 772	3 778	243	1 165
	6 561	6 115	6 165	396	6 763
Reimbursable support services costs	-	-	241	-	305
Total	6 561	6 115	6 406	396	7 068
			schedule 7		schedule 7

* Prior biennium's figures have not been restated to accord with budget harmonization.
The accompanying notes are an integral part of the financial statements.

Schedule 7.3

United Nations Volunteers programme: summary of projects financed by donor Governments and institutions

(Thousands of United States dollars)

Donors	Projects	Balance as at		Expenditure		Balance as at
		1 January 1996	Contributions	Project costs	Other costs	31 December 1997
Governments						
Australia	INT/92/V15	(33)	74	85	-	(44)
Austria	INT/92/V16	34	102	103	-	33
Belgium	INT/92/V12	3 015	1 653	2 441	-	2 227
Cambodia	CMB/96/V01	-	85	82	-	3
Denmark	INT/96/V01	-	52	32	-	20
Finland	INT/92/V11	222	1 823	748	-	1 297
Germany	INT/93/V02	(15)	129	142	-	(28)
Ireland	INT/92/V14	334	209	370	-	173
Malì	MLI/96/V01	-	29	4	-	25
Netherlands	INT/92/V13	(28)	400	551	-	(179)
Norway	CMB/95/V01	66	-	31	-	35
	INT/92/V21	172	92	146	-	118
Rwanda	RWA/96/V04	-	-	38	-	(38)
Spain	GLO/97/V44	-	1 639	32	-	1 607
	INT/92/V18	(9)	258	249	-	-
	RWA/96/V03	-	200	-	-	200
Sweden	CMB/93/V03	-	-	-	-	-
	INT/92/V09	(277)	751	426	51	(3)
Switzerland	INT/92/V08	(64)	147	63	-	20
United States of America	GLO/94/V02	4	-	-	-	4
Institutions						
ADB	GUI/93/V02	(19)	-	28	-	(47)
AMSDA	INT/96/V06	-	36	18	-	18
ASB Deutschland	CRO/97/V01	-	30	1	-	29
AsDB	KYR/96/V01	-	19	39	-	(20) a/
	MAS/92/V01	(63)	31	0	-	(32) a/
	MAS/94/V01	(1)	-	3	-	(4) a/
	MON/93/V02	5	14	11	-	8
	PHG/95/V01	-	-	2	-	(2)
ASTRO	YUG/90/V01	(9)	9	-	-	-
DAWIDA	MON/97/V01	-	27	16	-	11
Eritrea International School	ERI/95/V03	(3)	21	21	-	(3)
IBRD	MOZ/92/V03	6	26	13	-	19
	MOZ/92/V04	(52)	-	4	-	(56)

Donors	Projects	Balance as at	Contributions	Expenditure		Balance as at
		1 January 1996		Project costs	Other costs	31 December 1997
Institutions						
IDA	AKG/94/V01	47	-	123	-	(76)
	BEN/89/V01	(36)	-	73	-	(109)
	CHD/91/V01	2	-	-	-	2
	HOG/91/V01	(116)	-	-	-	(116)
	GHA/93/V02	(65)	66	4	-	(3)
	GHA/93/V03	(26)	148	127	-	(5)
	GHA/93/V04	(20)	50	24	-	6
	HA1/86/V01	(20)	-	-	-	(20)
	HEN/87/V01	91	106	156	-	41
	HEN/95/V01	123	81	166	-	38
IFAD	QAB/94/V01	69	121	119	-	71
	MLI/95/V04	15	50	8	-	57
	HEN/94/V01	27	56	50	-	33
IZTA	MLM/93/V01	2	-	3	-	(1)
ISN	AKG/95/V02	106	605	691	45	(25)
	GLO/94/V01	-	5	4	-	1
	HA1/95/V01	112	(101)	4	-	7
	MOE/94/V03	74	(72)	-	-	2
	RHA/95/V02	5	130	124	11	-
IZRI	MAG/95/V01	7	18	28	-	(3)
JOCV Japan	INT/92/V20	102	1 020	1 145	-	(23)
JVC	INT/96/V04	-	38	-	-	38
NS (Denmark)	INT/92/V17	37	-	190	-	(153)
SIDA (Botswana)	NOT/92/V01	491	-	337	-	154
SVL	INT/96/V05	-	88	38	-	50
UNICEF	HA1/97/V02	-	108	48	-	60
VSO (United Kingdom)	INT/92/V19	(26)	135	135	-	(26)
Grand total		4 286	10 508	9 296	107	5 391

schedule 7

schedule 7

^a At 31 March 1998, the following amounts were received from AaDB KYR/96/V01, \$28,000, MAS/92/V01, \$21,200, and MAS/94/V01, \$15,095

The accompanying notes are an integral part of the financial statements

Schedule 8
Investments at 31 December

(Thousands of United States dollars)

	1997	1998
Regular Resources		
Interest-bearing accounts	4 344	7 722
Call accounts	6 482	2 859
Time deposits	869 871	1 242 997
Bonds and notes	522 711	200 376
Other securities	12 462	97 574
Total	1 415 870	1 551 528
statement II.1		
Other Resources		
Trust Funds		
Trust Fund to Combat Desertification and Drought (UNSO)		
Interest-bearing current accounts	1	1
Call accounts	160	2
Time deposits	21 200	14 780
Bonds and notes	1 998	-
Total	23 359	14 783
schedule 5.2		
Trust Fund for the Global Environmental Facility		
Call accounts	77	-
Time deposits	25 100	-
Bonds and notes	35 035	-
Total	60 212	-
schedule 5.2		
Multilateral Fund for the Implementation of the Montreal Protocol		
Call accounts	50	-
Time deposits	24 400	-
Bonds and notes	107 006	-
Total	131 456	-
schedule 5.2		
Capacity 21 Trust Fund		
Time deposits	14 620	-
Bonds and notes	39 107	-
Total	53 727	-
schedule 5.2		

	1997	1998
Fonds Fiduciaire du PNOD Concernant l'Organisation pour l'harmonisation en Afrique du Droit des Affaires (OSADA IV)		
Time deposits	934	-
Total	934	-
Trust Fund for Environmental Conservation in Bhutan		
Time deposits	-	8 585
Bonds and notes	-	3 004
Total	-	11 589
Peres-Quarero Trust Fund for Economic and Technical Cooperation among Developing Countries		
Call accounts	126	2
Time deposits	-	2 605
Bonds and notes	6 135	4 054
Total	6 261	6 661
UNDP Trust Fund for the Nationhood Programme of the Fund for Namibia		
Time deposits	-	520
Total	-	520
Total Trust Funds		
	276 149	33 553
statement II.2		

Funds		1997	1995
United Nations Capital Development Fund			
Interest-bearing accounts		9	6
Call accounts		200	2
Time deposits		25 720	66 042
Bonds and notes		89 728	30 524
Other securities		9 575	10 000
Total	schedule 7	125 232	106 574
United Nations Revolving Fund for Natural Resources Exploration			
Call accounts		79	3
Time deposits		3 300	1 000
Total	schedule 7	3 379	1 003
United Nations Fund for Science and Technology for Development			
Call accounts		-	1
Time deposits		860	975
Total	schedule 7	860	976
United Nations Development Fund for Women			
Call accounts		162	1
Time deposits		14 345	525
Bonds and notes		-	-
Total	schedule 7	14 507	526
United Nations Volunteers programme			
Interest-bearing current accounts		64	6
Call accounts		275	1
Time deposits		24 250	27 880
Bonds and notes		12 590	-
Total	schedule 7	37 179	27 887
Total Funds		181 157	136 966
		overview	

The accompanying notes are an integral part of the financial statements.

Notes to the financial statements

Note 1

Mission statement

The United Nations Development Programme (UNDP) is part of the United Nations and upholds the vision of the Charter of the United Nations. It is committed to the principle that development is inseparable from the quest for peace and human security and that the United Nations must be a strong force for development as well as peace.

The UNDP mission is to help countries in their efforts to achieve sustainable human development by assisting them to build their capacity to design and carry out development programmes in poverty eradication, employment creation and sustainable livelihoods, the empowerment of women and the protection and regeneration of the environment, giving first priority to poverty eradication.

UNDP also acts to help the United Nations family to become a unified and powerful force for sustainable human development and works to strengthen international cooperation for sustainable human development.

UNDP, at the request of Governments and in support of its areas of focus, assists in building capacity for good governance, popular participation, private and public sector development and growth with equity, stressing that national plans and priorities constitute the only viable frame of reference for the national programming of operational activities for development within the United Nations system.

UNDP resident representatives normally serve as resident coordinators of the operational activities of the United Nations system, supporting, at the request of Governments, the coordination of development and humanitarian assistance. Resident coordinators also help to orchestrate the full intellectual and technical resources of the United Nations system in support of national development.

UNDP strives to be an effective development partner for the United Nations relief agencies, working to sustain livelihoods while they seek to sustain lives. It acts to help countries to prepare for, avoid and manage complex emergencies and disasters.

UNDP draws on expertise from around the world, including from developing countries, United Nations specialized agencies, civil society organizations and research institutes.

UNDP supports South-South cooperation by actively promoting the exchange of experience among developing countries.

UNDP supports, within its areas of focus, technology transfer, adaptation, and access to the most effective technology.

UNDP receives voluntary contributions from nearly every country in the world. UNDP seeks to ensure a predictable flow of resources to support its programmes. It provides grant funds through criteria based on universality that strongly favours low-income countries, particularly the least developed.

UNDP is politically neutral and its cooperation is impartial. It seeks to conduct its work in a manner transparent and accountable to all its stakeholders.

UNDP is committed to a process of continuing self-evaluation and reform. It aims to improve its own efficiency and effectiveness to assist the United Nations system in becoming a stronger force for the benefit of the people and countries of the world.

UNDP will continue to support an international development cooperation framework that responds to changing global, regional and national circumstances.

Note 2

Summary of significant accounting policies

The financial period of the organization is biennial. The present biennium covers the period of 1 January 1996 to 31 December 1997. The financial statements reflect the application of the following significant accounting policies:

(a) Framework

UNDP activities are accounted for in accordance with:

- (i) The Financial Regulations formulated by its Executive Board and the Rules established by the Administrator under the above regulations;
- (ii) The United Nations System Accounting Standards as adopted by the Administrative Committee on Coordination which are based to a large extent on relevant International Accounting Standards promulgated by the International Accounting Standards Committee. Where differences from the International Accounting Standards exist, it is mainly because of the essentially non-commercial nature of the Organization's activities. These standards are based on the following principles and assumptions:
 - a. Going concern, consistency and accrual are fundamental accounting assumptions. Where fundamental accounting assumptions are followed in financial statements, disclosure of such assumptions is not required. If these fundamental accounting assumptions are not followed, that fact should be disclosed together with the reasons;
 - b. Prudence, substance over form and materiality should govern the selection and application of accounting policies;
 - c. Financial statements should include clear and concise disclosure of all significant accounting policies that have been used;
 - d. The disclosure of the significant accounting policies used is an integral part of the financial statements;
 - e. Unusual items or prior period items should be disclosed if they have a material effect on the financial statements or schedules;
 - f. If there is a change in accounting policy that has a material effect in the current period, or may have a material effect in subsequent periods, the effect of such change should be disclosed and quantified, together with the reason for the change.

(b) Income

Interest income is accrued as income in the year to which it relates. Interest on interfund balances is credited to the trust fund accounts one year in arrears. All other income is accounted for on a cash basis, with the exception of income accrued on government letters of credit which are irrecoverable.

(c) Expenditure

All UNDP expenditure is accounted for on an accrual basis, except for that relating to staff entitlements (costs related to early separation programme are however, recorded on an accrual basis) and project components implemented by Governments and non-governmental organizations, which are accounted for on the basis of cash disbursements only. Project expenditure includes unliquidated obligations raised by the executing or implementing agents (other than Governments and non-governmental organizations). The following criteria is generally used in applying the accrual basis:

Experts and other project personnel	Costs relating to the period of contractual service falling within the current biennium up to the amount provided in the current budget;
Travel on official business	Costs of travel taking place in the current biennium and travel commencing before the end of the current biennium but extending into the next biennium;
Subcontracts	Payments falling due in the current biennium according to the terms of the contract or payment schedule;
Fellowships	Cost of the fellowship from the anticipated date of commencement of study or start of the current biennium to completion of study or end of the current biennium, whichever is earlier;
Group training	Full cost of any training activity held in the current biennium or beginning in the current and ending in the next biennium;
Equipment	Full cost of contractual agreement or firm order placed with the supplier prior to the end of the current biennium up to the amount provided in the current budget;
Miscellaneous	Cost of events occurred (for example, hospitality), goods or services delivered or firm orders placed for delivery in the current biennium.

Certain flexibility provisions may be applied to expenditure. In any given year, expenditure may exceed an approved project budget for that year by \$20,000 or 4 per cent thereof, whichever is the higher, provided the executing agent does not incur overall expenditure for that year in excess of 2 per cent of the total allocations made to it.

(d) Agency programme support costs and technical support services

Agency programme support costs denote the percentage of total project costs authorized by the Executive Board for payment to the executing and cooperating agents and implementing agents to reimburse them for costs incurred in the administration (technical and otherwise) of UNDP financial projects. These support costs are based on total annual programme expenditure. Sectoral support costs are also paid to certain agents for provision of sectoral advice to Governments and UNDP. The level of sectoral support and the use of its resources for a given cycle are determined by the Executive Board.

The Executive Board, by its decisions 95/23 and 96/31 approved new successor programming arrangements and new directives on agency support costs. The major features of the new arrangements are:

- (i) To provide incentives for national execution and ensure that agency technical support services are available to governments, particularly for nationally executed programmes/projects;
- (ii) To improve the upstream technical focus of agents and reduce their administrative and operational involvement in programmed project implementation;
- (iii) To assign resources that will permit programme countries to exercise increased choice in programme/project implementation;
- (iv) To replace the cluster rate system by a flat rate not to exceed 10 per cent of the administration and operational services reimbursement.

Details of the support costs under the previous arrangements and the new successor arrangements are provided in schedules 2.1 and 2.3.

Reimbursement for administration and operational services also applies to projects financed by UNDP-administered funds and trust funds. UNDP support costs denote the amounts paid to UNDP as reimbursement for costs incurred for the administration of these funds and trust funds.

(e) Biennial support budget

The biennial support budget comprises three components:

- (i) Programme support: expenditure incurred by organizational units (country offices and headquarters) whose primary function is the development, formulation, delivery and evaluation of the programmes of the organization. This will typically include units that provide back-stopping of programmes either on a technical, theoretical, geographical, logistical or administrative basis;
- (ii) Management and administration: expenditure incurred by organizational units whose primary function is the maintenance of the identity, discretion and well-being of the Organization. This will typically include units that carry out the functions of executive direction, organizational policy and evaluation, external relations, information and administration;
- (iii) Support to operational activities of the United Nations: this comprises four elements which are basically applicable to the Regular Resources activities namely, Country Offices Support, UN Development Group, United Nations Volunteers programme and Inter-Agency Procurement Services Office (IAPSO).

The expenditure under the biennial support budget are recorded in accordance with the principle set out in note 2 (c) above.

(f) Exchange rates

Voluntary contributions received from Governments are translated into United States dollars using the United Nations operational rate of exchange in effect on the date of payment.

Exchange adjustments arising from the receipt of contributions from Governments are recorded as increases or reductions to the contributions. All other exchange adjustments are recorded as other income/expenditure.

For the purposes of accounting of assets, liabilities and transactions and for the maintenance of other financial records, other currencies are translated into United States dollars at the United Nations operational rate of exchange in effect on the date of the report or transaction.

(g) Capital expenditure

The costs of purchased or constructed premises as well as major rehabilitation costs are reflected as capital assets. These assets relate mainly to the housing and office premises under the activity of the Reserve for Field Accommodation and the office premises purchased for the UNDP country office in Argentina (see notes 13 and 14 below).

The full cost of non-expendable equipment is charged to UNDP regular resources through its biennial support budget or to the appropriate project in the biennium in which it is purchased. An inventory is maintained for all non-expendable equipment (defined as items of equipment valued at \$500 or more per unit and with a serviceable life of at least five years and items of equipment included in any special list for which formal inventory records are maintained).

The inventory held at UNDP headquarters and at UNDP country offices at 31 December 1997 was valued at \$25.6 million (\$23.1 million in 1995) and \$68.8 million (\$63.1 million in 1995), respectively. Assets capitalized are not amortized nor depreciated.

(h) Operational reserve

At its thirty-seventh session in 1990, the Governing Council approved a change in the basis of calculation of the UNDP operational reserves to 20 per cent of the voluntary contributions or 20 per cent of expenditure, whichever was higher.

Where applicable, the operational reserves of Funds are discussed in the notes of the individual funds.

(i) Presentation

By its decision 97/6 the Executive Board approved the harmonization of the Budget presentation format submitted by UNDP, UNICEF and UNFPA. Therefore, the financial reports need to be presented in a way consistent with this decision.

Although the harmonization became effective only on 1 January 1998, an early compliance was considered necessary. The financial statements for the biennium ended 31 December 1997 have been presented accordingly. Further refinements would be incorporated in the financial statements for 1998-1999.

The main features of this harmonization involve activities that are:

- (i) Regular resources activities: activities financed from voluntary contributions, donations from non-governmental sources and related interest earnings and miscellaneous income;
- (ii) Other resources activities: activities financed from resources other than regular resources, which are received for a specific programme purpose (cost-sharing, government cash counterpart contributions, trust funds established by the Administrator and activities from management service agreements);
- (iii) For accounting presentation purposes the reimbursable support services and other special activities, namely, Junior Professional Officers (JPOs), Reserve for Field Accommodation, etc. are included in the other resources activities;
- (iv) Funds administered by UNDP: activities of funds established by the General Assembly and administered by UNDP.

The nature of some expenditure has been redefined as explained in note 2 (e).

Other reclassifications and changes in presentation were made to better reflect the nature of the operations and/or to better comply with the accounting standards. These changes have affected mainly:

- (i) Cost-sharing activities: interest earned and support costs charged by the regular resources activities to cost-sharing activities are reflected through the Statement of income and expenditure. In the past these transactions were reflected directly as transfers to UNDP extrabudgetary income;
- (ii) Reimbursable support services for funds and trust funds: formerly termed "extrabudgetary activities", the reimbursable support services are now presented as part of the funds and trust fund's income statement with the ending balance reflected in the "unexpended resources balance". In prior years, the net balance of these activities was shown between the liabilities section and the unexpended resources balance section.

A detailed schedule is provided for each of the following:

- (i) Fully funded agreements of UNV with Governments and institutions, by country and by project;
- (ii) Trust funds' management service agreements;
- (iii) IAPSO trading activities.

(j) Non-consolidated financial statements

The results of the operations reflected in statements I to IV are presented on the basis of the three major components explained above in note 2 (i).

The totals of each major component are shown only for the purpose of reflecting the component's aggregate data. Identified inter-activities/interfund balances (within each component) in the balance sheet have been eliminated in computing these totals. Other interfund transactions are not eliminated. Therefore, these aggregates are not intended, by any means, to reflect the consolidated amounts which would have required eliminations of all interfund transactions and balances within each component.

(k) Determination of certain balance sheet items

Owing to the nature of the activities, certain transactions pertaining to cost-sharing, government cash counterpart contributions, etc., are commingled in the regular resources accounts (investments, deferred charges, receivables, payables, etc.). Whenever possible the balances of these accounts at 31 December 1997, and the comparatives, have been apportioned essentially on the basis of the best available information. The accounts not apportioned have been reflected in the interfund account balance.

Note 3

Contributions receivable and in-kind contributions (off-balance sheet)

(a) (i) Contributions of Governments and other contributors – regular resources

Contributions due from Governments and other contributors for current and prior years that have not been paid at 31 December 1997 are as follows:

	Voluntary contributions	Voluntary contributions for the Special Measures Fund for the Least Developed Countries	Total
<i>(thousands of United States dollars)</i>			
1993 and prior years	4 667	17	4 684
1994	1 108	3	1 111
1995	1 756	—	1 756
1996	1 975	4	1 979
1997	18 379	—	18 379
Total	27 885	24	27 909

(ii) **Contributions of Governments and other contributors – cost-sharing and government cash counterpart contributions**

At 31 December 1997, the following amounts were receivable for cost-sharing, and government cash counterpart contributions projects. These amounts are to be rephased to future years.

	<i>thousands of United States dollars</i>
Cost-sharing	394 203
Government cash counterpart contributions	9 544
Total	403 747

The amounts in respect of cost-sharing and government cash counterpart contributions are based on budgeted expenditure for the year and will be adjusted on the rephasing of these budgets.

(b) **In-kind contributions**

In 1996, Hewlett Packard Company (a leading manufacturer of computing, communications and measurement products) donated a wide range of new computing equipment, including enterprise servers, personal computers, printers and other peripherals, to the UNDP Sustainable Development Networking Programme. The value of this contribution, estimated at \$1.1 million, has not been recorded in the accounts.

These products are intended for direct use in various projects in developing countries. Sustainable Development Networking Programme links bodies, universities, non-governmental organizations, the private sector and individuals in developing countries for the purpose of exchanging critical information on sustainable human development.

As part of UNDP agreements with recipient countries, the Governments of those countries are to provide UNDP with accommodations free of charge. These in-kind contributions received during the biennium 1996–1997 are estimated at \$5.9 million. These estimates are based on the market value, if available, or the best estimates from the Government or UNDP country offices.

Note 4**Unidentified receipts**

Monies received, but not identified as to purpose, are held as accounts payable until identified. At 31 December 1997, \$13,401,874 in unidentified receipts were held as accounts payable. This amount is included in note 12 (b).

Note 5**Accounting linkage – voluntary contributions and contributions to local office costs**

At its thirty-first session in 1984, the Governing Council authorized the establishment of a country-specific accounting linkage between voluntary contributions and contributions to local office costs in such a manner that voluntary contributions are first accounted for against any shortfall in contributions to local office costs. The total amount of \$12,554,775, which was transferred from voluntary contributions in respect of such linkage, is included in the \$44,167,892 figure in schedule 3 and shown in note 6.

Note 6**Income received for the biennial support budget – regular resources**

The amount of \$44,167,892 (1995: \$36,342,785) shown in schedule 3 as income received for the biennial support budget consists of host Government cash contributions to local office costs of \$40,120,346 and other income of \$4,047,546.

Host Government contributions consist of:

	1997	1995
	(thousands of United States dollars)	
Government local office contributions	27 566	28 621
Transfers from voluntary contributions	12 555	7 311
Total	40 121	35 932

Note 7**Interest income – regular resources**

The amounts shown in statement I.1 consist of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Interest from investments	166 988	127 061
Interest on construction loans	98	250
Interest on the medical insurance plan	—	508
Interest transferred to:		
Cost-sharing	(33 102)	(10 916)
Trust Funds	(28 805)	(11 799)
Management service agreements	(12 059)	(9 883)
Reimbursable support services	(6 000)	—
Total	87 120	95 221

Note 8**Cash – regular resources**

The amounts shown in statement II.1 consist of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Convertible currencies	3 140	5 320
Usable non-convertible currencies	5	12
Accumulated non-convertible currencies	15 246	12 690
Cash at country offices	(5 992)	3 981
Transfer from regular resource investments	2 201	—
Subtotal	14 600	22 003
Less: provision for depreciation of accumulating non-convertible currencies	14 600	—
Total	—	22 003

The cash balance at country offices takes into account the uncleared cheques of \$62,832,447 (outstanding cheques of \$238,863,596 less replenishments from headquarters of \$176,031,149). There is an automatic replenishment from the headquarter current and investment accounts once these cheques are cashed.

The above provision was established for the biennium 1996–1997 to reflect the over valuation of the Cuban peso against the United Nations rate of exchange. This amount of \$14,600,000 was netted against the recovery of \$202,000 in respect of the FAO fisheries vessel pool (note 12 (a)).

Note 9**Government letters of credit**

Government letters of credit shown in statement II.2 were made to UNDP in respect of cost-sharing for the following activities:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Public sector reform in Argentina	—	1 231
Rehabilitation, reconstruction and development in Tajikistan	100	—
Assistance to government aid management and aid coordination	30	—
Promotion of community-based peace and confidence-building measures, Tajikistan	150	—
Plan of action for the reinstallation and reintegration of refugees and formerly displaced persons	25	—
Establishment of the early warning system in Bulgaria	52	—
HIV programme	—	641
United Nations Development Office in Somalia	—	500
Emergency and logistics support in Liberia	—	1 254
Support to the Rwanda human rights monitoring operations	—	150
Total	357	3 776

As the letter of credit is irrevocable, the amount is presented with cash and investments in statement II.2 and is included in cost-sharing contributions as presented in statement I.2.

Note 10**Valuation of cash and investments at 1 January 1998 United Nations operational rate of exchange**

In accordance with the accounting policy disclosed in note 2 (f), cash for regular resources and IAPSO totalling \$2,407,738 as reported in statement II and investments totalling \$1,415,870,412 as reported in statement II and schedule 8 include the United States dollar equivalent of cash and investments in other currencies using the United Nations operational rate of exchange established on 1 December 1997 and in effect on 31 December 1997. At the United Nations operational rate of exchange in effect on 1 January 1998, which more closely reflects the market rate of exchange at 31 December 1997, the value shown in the accounts would have decreased by approximately \$51,604 and \$187,754 for cash and investments, respectively.

Note 11**Opening balances of resources**

A detailed review of the resource balance of the cost-sharing projects revealed excess charges to cost-sharing resources of \$35,853,630 for the period 1988–1995. The impact was that the regular resource balance was overstated by the same amount.

Furthermore, the reimbursable services resource opening balance has been adjusted by \$6,995,191. This amount represents prior years' cost-sharing administrative support charges not transferred to country office reimbursable support services income at 31 December 1995. The impact was that the reimbursable support services resource balance was understated and the cost-sharing resource balance was overstated. The 1995 comparative figures have not been restated (with the exception of schedule 2.3).

Note 12**Accounts receivable and payable****(a) Other accounts receivable and deferred charges**

The amounts shown in statements II.1 and II.2 consist of:

	1997	1995
	<i>(Thousands of United States dollars)</i>	
Advances to staff and consultants	10 515	8 864
Deferred charges	5 493	3 618
Agency receivables	3 075	2 385
Miscellaneous field office receivables	19 522	13 937
Miscellaneous accounts receivables	64	1 493
Subtotal	38 669	30 297
Less: Provision to reduce the book value of accounts receivable	305	507
Total	38 364	29 790
This total is reported as follows:		
Regular resources, statement II.1	19 839	17 812
Other resources, statement II.2	18 525	11 978
	38 364	29 790

The provision established in 1987 to reduce the deficit in operating the FAO fisheries vessel pool was reduced to reflect the current value of the receivables.

(b) Accounts payable

The amounts shown in statements II.1 and II.2 consist of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Amounts received in respect of other United Nations organizations' programmes	7 219	5 318
Medical insurance plan fund	12 357	9 135
Insurance proceeds in respect of the air crash in the United Republic of Tanzania	—	42
Miscellaneous field office payable	13 558	8 768
Miscellaneous accounts payable	32 975	27 140
Cash received and awaiting clarification	13 402	7 094
Contribution from the Government of Norway for the United Nations common coding system office	—	400
Total	79 511	57 897
This total is reported as follows:		
Regular resources, statement II.1	45 706	36 305
Cost-sharing, statement II.2	33 805	21 592
	79 511	57 897

Note 13**Reserve for Field Accommodation**

The Reserve for Field Accommodation was established in 1979 at a maximum level of \$25 million to construct housing for United Nations international staff in the country offices. In 1989 the Governing Council authorized UNDP to expand the scope of the Reserve to include financing for the United Nations system common premises, intended to accommodate the office needs of the agencies of the Joint Consultative Group on Policy.

The cumulative operating deficit of \$6.2 million shown in schedule 6 is derived mainly from the operations of housing rental and offices premises.

At 31 December 1997, the excess of total expenditure over the authorized level of reserve under the Reserve for Field Accommodation activities is \$27,626,292 (\$29,761,852 in 1995).

The schedule on Reserve for Field Accommodation activities now includes each of its elements: reimbursable support services, office premises and housing. The split of the balance sheet items is essentially based on the best available information: the market value, if any, the architect reports, the various biddings for the constructions, etc. The income statement data for both the housing and the office premises are based on the nature of the actual transactions. The 1994-1995 data have been reclassified for comparison purposes.

The income statement includes write-off and provision for asset write down of \$14.1 million. This provision is based on the management's best estimate of the Reserve for Field Accommodation assets impairment as at 31 December 1997.

The long-term receivable of \$1,126,710 shown in schedule 6.3 represents the amount receivable over one year resulting from the sale of housing apartments in Cape Verde. The sale price was \$1,300,050 and is payable in 15 annual installments of \$86,670. The current portion (\$86,670) is included in other accounts receivable.

Note 14

Office premises purchased for the UNDP country office in Argentina

In October 1996, an office space was purchased for the country office in Argentina. The cost of this acquisition amounted to \$1,570,000 and was financed by:

(a) Appropriation from country office reimbursable support services' resources for \$630,694;

(b) Borrowing from the cost-sharing resources for \$939,306. This interest-free borrowing is reimbursable from country office extrabudgetary resources. At 31 December 1997, the balance of this borrowing was \$13,102, which will be paid off in 1998.

This asset, which has been exceptionally capitalized, is shown under regular resources.

Note 15

Reserves for staff separations and transitional measures

At its fortieth session in 1993, the Governing Council approved the use of the 1992-1993 budget savings to support a smooth implementation of the 1994-1995 budget strategy. Accordingly, the reserve for transitional measures and the reserve for budgeted separations were established with the initial amounts of \$7,200,000 and \$6,359,000, respectively.

Based on the same principle, the Executive Board, at its third regular session in 1995, approved additional resources to be set aside for the implementation of the 1996-1997 budget strategy. In accordance with that decision, \$8,400,000 and \$14,000,000 were transferred from UNDP regular resources to the reserve for transitional measures and the reserve for budgeted separations.

The unexpended balance of the reserve for transitional measures shown in statement II.1 consists of:

	Balance at 1 January 1996	Payments/adjustments made during the biennium	Balance at 31 December 1997
<i>(thousands of United States dollars)</i>			
Balance in relation to the 1994-1995 budget strategy	36	48	84
Balance in relation to the 1996-1997 budget strategy	8 400	(8 350)	50
Total	8 436	8 302	134

The reserve for budgeted separations shown in statement II.1 consists of:

	<i>Balance at 1 January 1996</i>	<i>Payments made during the biennium</i>	<i>Balance at 31 December 1997</i>
<i>(thousands of United States dollars)</i>			
Balance in relation to the 1994-1995 budget strategy	74	(74)	—
Balance in relation to the 1996-1997 budget strategy	12 283	(12 283)	—
Total	12 357	(12 357)	—

Disbursements against these reserves are in addition to expenditure incurred against appropriations approved by the Executive Board in the recurrent biennial support budget.

Note 16

Unspent allocations and future commitments

(a) Unspent allocations

Unspent allocations issued against UNDP resources for programme expenditure (excluding national execution) at 31 December 1997 amount to approximately \$702 million (\$635 million in 1995) against which forward commitments reported by executing agencies are approximately \$56 million (\$54 million in 1995).

(b) Leasehold commitments

Future leasehold commitments against regular resources at 31 December 1997 amount to \$75.8 million (\$22.9 million in 1995) for headquarters and \$6.7 million (\$11.4 million in 1995) for country offices.

(c) End-of-service and post-retirement liabilities

Consistent with note 2(c) above, liabilities for end-of-service benefits, post-retirement benefits and annual leave are not provided for in the financial statements.

Costs relating to annual leave at 31 December 1997 are estimated at \$17.5 million.

The contingent liability resulting from the termination benefits that UNDP will be required to pay to its staff members in future years is estimated at 31 December 1997 to be \$15,169,444 in respect of repatriation grants and \$3,791,182 in respect of termination indemnity.

(d) Post-retirement benefits

Health insurance coverage is available to qualified retired employees. UNDP has not recorded in its accounts liabilities for after-service health insurance costs. Such payments are recorded when actual payments are made. These payments amounted to approximately \$2.5 million per year.

(e) Pension benefits

UNDP is a member organization participating in the United Nations Joint Staff Pension Fund, which was established by the General Assembly to provide retirement, death, disability and related benefits. The Fund is a funded defined benefit plan. The financial obligation of the organization to the Fund consists of its mandated contribution at the rate established by the General Assembly together with any share of any actuarial deficiency payments under article 26 of the regulations of the Fund. Such deficiency payments are only payable if and when the General Assembly has invoked the provision of article 26, following determination that there is a requirement for deficiency payments based on an assessment of the actuarial sufficiency of the Fund as of the valuation date.

(f) Air crash in the United Republic of Tanzania

On 5 December 1980, four UNDP staff members died in an air crash in the United Republic of Tanzania. As a result, UNDP received insurance proceeds totalling \$623,948 from which it paid compensation to the beneficiaries of the victims. The remaining balance of these proceeds was fully utilized in 1996. Since then compensation payments have been reported as expenditure in the year the payments are made.

Note 17**Unliquidated obligations**

The balance of unliquidated obligations shown in statement II consists of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Executing agents	104 184	89 302
Biennial support budget	23 569	30 274
Reimbursable support services	3 394	2 440
Total	131 147	122 016
Regular resources	68 368	28 910
Cost-sharing	59 385	90 666
Reimbursable support services	3 319	2 338
Reserve for Field Accommodation reimbursable services	30	102
Special activities	45	—
Total	131 147	122 016

Note 18**Outstanding commitments of the Reserve for Field Accommodation**

Unpaid invoices and commitments to contractors and subcontractors against the Reserve for Field Accommodation total approximately \$2.7 million at 31 December 1997 (\$5.6 million in 1995). These invoices are not accrued in the current biennium.

Note 19**Inter-Agency Procurement Services Office****(a) Accounts payable**

The amount of \$10,423,722 (\$12,795,348 in 1995) shown in schedule 6 represents advances received relating to direct procurement.

(b) Biennial support budget

The IAPSO core support budget of \$3,876,825 (\$5,138,086 in 1995) is included in the amount for regular resources in the biennial support budget and detailed in schedule 3.

(c) Basis of accounting

IAPSO direct procurement activity is accounted for on a cash basis.

(d) Trading activities

The trading activities of IAPSO for the biennium 1996-1997 generated gross revenue of \$119.6 million. Based on the activities IAPSO earned procurement handling fees and other fees amounting to \$5.7 million as shown in schedule 6.4.

Note 20**Special activities (schedule 6.5)****(a) Support to United Nations resident coordinator activities**

The activities are to support collaborative programming; follow-up to major international conferences; United Nations system public information activities; review and planning of United Nations system shared services and common premises; and special assignments.

In 1995, this activity was shown as a trust fund with a total resource balance of \$2,586,207 at 31 December. To reflect better the nature of the contribution and the operations, this activity is now shown under "Special activities".

For the biennium ended 31 December 1997, total expenditure incurred with regard to these activities amounted to \$4,188,358.

The portion of the support to United Nations Resident Coordinator activities funded from specific contributions is shown under special activities. The remaining portion of \$6,419,882 is funded by the core resources and therefore presented under regular resources in statement 1.1.

(b) Unified coding system

Up to 31 December 1995, the net resource available (\$400,000) for the unified coding system was included in accounts payable. It was reclassified in special activities to better reflect the nature of the operations.

(c) Other

Various other activities have been reclassified from accounts payable to special activities (e.g., Centre of Experimentation, Sustainable Energy and Environment Division).

Note 21**Trust Fund to Combat Desertification and Drought****(a) Mandate and goals**

To address the effects of the severe drought in the Sahel region in Africa in the early 1970s, the Secretary-General of the United Nations in 1973 established the United Nations Sahelian Office, under the acronym UNSO. In 1977, UNSO was placed under UNDP administration. In 1978, its mandate was extended to assist, on behalf of UNEP, the countries of the Sudano-Sahelian region in their implementation of the 1977 World Plan of Action to Combat Desertification.

In Agenda 21 adopted at the United Nations Conference on Environment and Development in 1992, UNSO was explicitly called upon to assume a major advisory role and participate effectively in the implementation of Agenda 21 provisions related to combating drought and desertification, and to land resource management, and to share its experience in this respect with all relevant countries, in particular those in Africa, with special attention to countries most affected or classified as least developed countries. The UNDP Governing Council and the General Assembly in June and December 1993, respectively, endorsed this extension of the UNSO mandate. In 1995, the UNDP Executive Board and the Economic and Social Council endorsed the renaming of UNSO to Office to Combat Desertification and Drought, while retaining its familiar acronym.

In response to the Executive Board's call for greater functional integration of UNSO into UNDP, the Administrator in 1994 brought together UNSO and several other environment-related units in the new sustainable Energy and Environment Division. Today, UNSO may be characterized as a special programme in dryland management, desertification control and drought mitigation. Its principal goals are to spearhead UNDP support to affected programme countries in the implementation of the United Nations Convention to Combat Desertification in Those Countries Experiencing Serious Drought and/or Desertification, particularly in Africa, and to serve as the principal global advocate for an integrated approach to dryland degradation and poverty eradication in conformity with the broad sustainable human development agenda of UNDP.

Within a broad programme approach, UNSO, *inter alia*:

- Provides technical support and/or catalytic funding to the launching of the participatory and integrated processes called for under the Convention to formulate and implement national, subregional and regional action programmes to combat desertification and promote sustainable livelihoods in the world's drylands;
- Develops and tests new, innovative concepts and approaches to policy and programme formulation in dryland management and on cross-cutting issues critical for successful implementation of the Convention and facilitates access to them through technical publications training and capacity-building;
- Facilitates documentation dissemination, and exchange of knowledge, experience and best practices within the framework of selected thematic programme areas (water management, local-level natural resource management, pastoral development, environmental information systems, etc.);
- Promotes awareness on dryland development issues and facilitates mobilization of resources and partnership building with relevant intergovernmental and non-governmental agencies to avoid duplication of efforts and to optimize the use of resources available for the implementation of the Convention.

(b) Combined accounts

In the light of the above evolution in the UNSO mandate, the Administrator in 1995 established the Trust Fund to Combat Desertification and Drought. Appropriate steps were taken, including consultations with the United Nations legal services, to proceed towards a consolidation of the Trust Fund under the former mandate with the new Trust Fund.

In the meantime, the activities of these two funds have been combined as shown in schedule 5.2. The status of income received and expenditure incurred for the current biennium are as follows:

	United Nations Trust Fund for Sudano- Sahelian Activities	Trust Fund to Combat Desertification and Drought	Total
<i>(thousands of United States dollars)</i>			
Unexpended resources as at 1 January 1996	23 504	885	24 389
Income received	6 347	9 173	15 520
Interfund transfers	(590)	590	—
Net income	5 757	9 763	15 520
Expenditure incurred	(14 563)	(2 467)	(17 030)
Savings on prior biennium's obligations	14	—	14
Transfers from MSA	78	367	445
Refunds to donors	(382)	—	(382)
Unexpended resources at 31 December 1997	14 408	8 548	22 956

(c) Other accounts receivable and deferred charges

The amounts shown in schedule 5.2 consist of:

	1997	1995
<i>(thousands of United States dollars)</i>		
Uncleared field office charges through inter-office vouchers	75	—
Due from UNEP under UNDP/UNEP joint activities	100	1 295
Total	175	1 295

The amount of \$100,000 (\$1,295,000 in 1995) shown above represents the balance due from UNEP for institutional support and programme support under the joint venture agreement between UNDP and UNEP signed in January 1979.

In April 1995, UNEP and UNDP agreed to refocus the joint venture into a partnership for joint programming in areas where UNEP and UNDP/UNSO have complementary expertise. The joint programmes will support implementation of the Convention in all affected countries, particularly in Africa. In this connection, the Administrator of UNDP proposed to maintain the UNDP contribution to the partnership at \$1 million per biennium.

Effective 1996, the UNEP contributions are redirected towards seed funding for programme activities under the partnership.

(d) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Executing agents	238	413
Biennial support budget	29	102
UNDP/UNEP joint venture activities	—	92
Total	267	607

(e) Reimbursable support services

The balance of reimbursable support services (formerly extrabudgetary) of \$391,484 at 31 December 1997 was transferred to regular resources in accordance with the instruction from UNSO management.

(f) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	1997	1995	1997	1995
	<i>(thousands of United States dollars)</i>			
Regular resources	3 668	2 981	11 831	17 526
Cost-sharing	8 590	10 637	6 842	5 756
Sub-trust funds	4 092	1 301	4 283	975
Total	16 350	14 919	22 956	24 257

Unspent allocations exceeding cost-sharing resources of \$1,747,501 were issued on the basis of contributions receivable totalling \$3,552,131. This amount is included in the contributions receivable amount of \$5,349,272 shown in note 34.

Note 22

Trust Fund for the Global Environment Facility

(a) Mandate and goals

The Trust Fund for GEF was established for the receipt and administration of funds to finance UNDP preinvestment studies, technical assistance and training for global environment policies, programmes and projects. The agreement between UNDP and the World Bank, as trustee for GEF, was signed on 29 April 1991. As stated in the "Instrument for the Establishment of the Restructured Global Environment Facility":

- GEF shall operate, on the basis of collaboration and partnership among the implementing agencies, as a mechanism for international cooperation for the purpose of providing new and additional grant and concessional funding to meet the agreed incremental costs of measures to achieve agreed global environmental benefits in the following focal areas: climate change; biological diversity; international waters; and ozone layer depletion.
- The agreed incremental costs of activities concerning land degradation, primarily desertification and deforestation as they relate to the four focal areas shall be eligible for funding. The agreed incremental costs of other relevant activities under Agenda 21 that may be agreed by the Council shall also be eligible for funding insofar as they achieve global environmental benefits by protecting the global environment in the four focal areas.
- GEF shall ensure the cost-effectiveness of its activities in addressing the targeted global environmental issues, shall fund programmes and projects that are country-driven and based on national priorities designed to support sustainable development and shall maintain sufficient flexibility to respond to changing circumstances in order to achieve its purposes.

UNDP will play the primary role in ensuring the development and management of capacity-building programmes and technical assistance projects. Through its global network of field offices, UNDP will draw upon its experience in human resources development, institutional strengthening and non-governmental and community participation to assist countries in promoting, designing and implementing activities consistent with the purpose of GEF and national sustainable development strategies. Also drawing on its intercountry programming experience, UNDP will contribute to the development of regional and global projects within the GEF work programme in cooperation with the other implementing agencies.

(b) Interest income

In August 1996, an investment account was established for this trust fund. Interest income earned from those investments are recorded under general resources in the same year it is earned. This differs from the policy in prior periods where interest earned from investments commingled with UNDP resources were credited to the trust fund accounts one year in arrears. However, interest income on sub-trust funds will continue to be credited one year in arrears.

The interest income shown in schedule 5.2 consists of \$4,483,722 earned from its own investment account and \$2,128,273 from investments, commingled with UNDP resources.

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Executing agents	8 423	10 502
Biennial support budget	206	189
Total	8 629	10 691

(d) Unspent allocations and unexpended resources

The amounts in schedule 5.2 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	<i>1997</i>	<i>1995</i>	<i>1997</i>	<i>1995</i>
	<i>(thousands of United States dollars)</i>			
Regular resources	152 146	133 801	29 493	34 001
Cost-sharing	1 512	1 867	6 271	6 495
Sub-trust funds	2 896	3 155	3 455	4 722
Total	156 554	138 823	39 219	45 218

The unspent allocations for regular resources include \$17,004,045 allocated to the small grants programme. Allocations exceeding regular resources in the amount of \$122,654,256 were issued on the basis of letters of commitments from the World Bank as trustee of the GEF Trust Fund confirming allocations of \$548,500,000 to UNDP. The amounts receivable under this mechanism are not included in the contributions receivable shown under note 34. Funds are remitted by the trustee as required by UNDP/GEF. To date, a total of \$291,600,000 has been received.

Note 23**Multilateral Fund for the Implementation of the Montreal Protocol****(a) Mandate and goals**

The stratospheric ozone layer prevents most ultraviolet radiation from reaching earth. This ozone layer is under intense attack by chlorofluorocarbons, halons and other ozone-depleting substances used as refrigerants, foaming agents, aerosol propellants, fire retardants, solvents and fumigants. The depletion of the ozone layer allows more radiation to reach the earth raising the incidence of skin cancer and cataracts, and affecting agriculture, fisheries and biological diversity.

The Montreal Protocol (1987) sets out the time schedule for freezing and reducing consumption of the ozone-depleting substances. Developed countries have already eliminated most of the ozone-depleting substances consumption; developing countries have a grace period. A multilateral fund was established under the Montreal Protocol to assist developing countries eliminate the ozone-depleting substances; it is funded by developed countries (since they had contributed the most to the ozone layer depletion problem). The Multilateral Fund during 1991–1996 approved \$530 million in projects to eliminate 77,000 metric tons of ozone-depleting substances. An additional \$540 million has been approved for the three-year period 1997–1999.

UNDP is one of four implementing agencies under the Multilateral Fund (with UNEP, UNIDO and the World Bank). UNDP assists 60 countries (51 under the Multilateral Fund and 9 under GEF) to implement national programmes to phase out chlorofluorocarbons, halons and other ozone-depleting substances through national country programme formulation; technical training and demonstration projects; institutional strengthening/national capacity-building; and technology transfer investment projects.

UNDP helps Governments and industry design, implement, monitor and evaluate projects and programmes to phase out ozone-depleting substances in the aerosols, foams, solvents, refrigeration/air-conditioning and fire-extinguishing sectors, covering large, medium and small-scale enterprises. UNDP has also started working on demonstration projects to test alternatives to the use of methyl bromide – a pesticide that contains chlorofluorocarbons, in agricultural uses. The programme comprises a mix of UNOPS-executed (75 per cent) and nationally executed (25 per cent) activities. UNDP is also assisting Australia, Denmark, Sweden and the United States of America to implement certain bilateral programmes under the Multilateral Fund.

(b) Interest income

In December 1996, an investment account was established for the trust fund. Interest income earned from those investments are recorded under general resources in the same year it is earned. This differs from the policy in prior periods where interest earned from investments commingled with UNDP resources were credited to the trust fund accounts one year in arrears. However, interest income on sub-trust funds will continue to be credited one year in arrears.

The interest shown in schedule 5.2 consists of \$6,330,189 earned from its own investment account and \$7,637,613 from investments, commingled with UNDP resources.

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Executing agents	15 564	18 936
Biennial support budget	43	56
Total	15 607	18 992

(d) Unspent allocations and unexpended resources

The amounts in schedule 5.2 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	1997	1995	1997	1995
	<i>(thousands of United States dollars)</i>			
Regular resources	54 281	46 024	84 394	71 964
Sub-trust funds	1 083	194	486	205
Total	55 364	46 218	84 880	72 169

Note 24**"Capacity 21" Trust Fund****(a) Mandate and goals**

The "Capacity 21" Trust Fund was established by the Administrator in 1993, subsequent to the Governing Council's decision, as an initiative to help countries implement Agenda 21. Agenda 21 is the agenda for actions agreed to at the United Nations Conference on Environment and Development.

The mission of "Capacity 21" is to pilot innovative methods of implementing Agenda 21 by helping selected countries to design and implement capacity-building programmes for sustainable development. "Capacity 21" will ensure that, in addition to substantial progress being made by the pilot countries in the achievement of sustainable forms of development, a body of knowledge will be built up that will be of material benefit to other countries that are implementing Agenda 21.

(b) Interest income

In December 1996, an investment account was established for this trust fund. Interest income earned from those investments are recorded under general resources in the same year it is earned. This differs from the policy in prior periods where interest earned from investments commingled with UNDP resources were credited to the trust fund accounts one year in arrears. However, interest income on sub-trust funds will continue to be credited one year in arrears.

The interest shown in schedule 5.2 consists of \$2,921,840 earned from its own investment account and \$4,446,768 from investments, commingled with UNDP resources.

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	1995
	(thousands of United States dollars)	
Executing agents	623	473
Biennial support budget	31	31
Total	654	504

(d) Unspent allocations and unexpended resources

The amounts in schedule 5.2 consists of:

	Unspent allocations		Unexpended resources	
	1997	1995	1997	1995
	(thousands of United States dollars)			
Regular resources	16 274	13 672	46 711	38 191
Cost-sharing	599	54	114	127
Sub-trust funds	1 366	20	2 277	1 919
Total	18 239	13 746	49 102	40 237

Note 25**Energy Account****(a) Mandate and goals**

Established by the UNDP Governing Council in 1980, the UNDP Energy Account is the channel for specific contributions for energy activities within the context of the UNDP Initiative for Sustainable Energy. These activities are aimed at promoting sustainable energy strategies including:

- Utilizing renewable sources of energy to meet the basic energy needs of rural communities and focusing on energy efficiency in residential, commercial and industrial sectors (while renewable energy systems are environmentally benign and have demonstrated their reliability under a wide range of conditions, energy efficiency measures can, at a minimum, reduce carbon dioxide emission and postpone investment by delaying construction of new fossil fuel-based power plants).
- Contribution to innovative financing mechanisms such as Financing Energy Services for Small-scale Energy Users to identify and promote ways to provide technically feasible and economically viable renewable energy and energy efficiency services to various types of energy users.
- Mobilizing support for indigenous capacity-building so that countries can identify and make use of new approaches and technologies opportunities as well as train entrepreneurs and implement new financial/credit modes.
- Encouraging countries to create a supportive legal, institutional and regulatory climate for sustainable energy development.

(b) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 5.2 consists of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Executing agents	37	63
Biennial support budget	10	1
Total	47	64

(c) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	<i>Unspent allocations</i>	<i>Unexpended resources</i>		
	1997	1995	1997	1995
	<i>(thousands of United States dollars)</i>			
Regular resources and cost-sharing	2 217	4 874	2 874	4 737
Sub-trust funds	—	—	4	6
Total	2 217	4 874	2 878	4 743

Note 26**Fund for the Programme of Assistance to the Palestinian People****(a) Mandate and goals**

The UNDP Programme of Assistance to the Palestinian People has been operational in the West Bank and the Gaza Strip since 1980, having been mandated by the Governing Council to undertake both technical and capital assistance projects. The Programme is a decentralized assistance programme that reports directly to the office of the Administrator. Most of the activities supported by UNDP are directed at strengthening newly created Palestinian institutions and creating employment opportunities in the occupied territories.

Since the establishment of the Palestinian Authority in the West Bank and the Gaza Strip in May 1994, there has been a redefinition of the Programme's strategies and programme initiatives. As mandated by the programme framework, the Programme's primary counterpart of development activities is the Palestinian implementation capacities of the Palestinian ministries, municipalities and village councils, and civil society organizations. In conjunction with the Palestinian Authority, UNDP is also identifying and launching longer-term types of initiatives which are essential to the long-term development of the Palestinian territories. Whenever possible, UNDP uses Palestinian implementation networks and expertise.

UNDP, under the auspices of the Programme, has sought to improve the social, economic, and environmental conditions for all Palestinians in the occupied territories by implementing specific projects. The development and assistance strategies have resulted from a joint assessment of the top priorities in each sector by UNDP/the Programme and the Palestinian Authority. The projects reflect a realistic view of what is achievable and readily implementable in each sector, as well as attempt to narrow down those practically unlimited range of development needs in the West Bank and the Gaza Strip to those specific projects that will provide the most tangible and visible results to the Palestinian people.

These projects have focused on four basic areas: public administration, economic development, human development and environmental management.

(b) Unliquidated obligations

The amounts shown in schedule 5.2 represent unliquidated obligations of executing agents.

(c) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	<i>1997</i>	<i>1995</i>	<i>1997</i>	<i>1995</i>
<i>(thousands of United States dollars)</i>				
Regular resources	31 816	30 727	36 477	30 708
Sub-trust funds	5 978	—	2 856	21
Total	37 794	30 727	39 333	30 729

Unspent allocations for sub-trust funds exceeded available resources in the amount of \$3,199,841. However, at 31 December 1997, contributions receivable amounted to \$3,026,316, as shown in note 34.

(d) Sub-trust funds

The following sub-trust funds – the Support to the Employment Generation Programme in Gaza funded by Sweden and the Canadian International Development Agency Trust Fund for Non-Formal Education: Youth Centre Project, which were stand-alone trust funds before, have been reclassified as sub-trust funds of the Programme of Assistance to the Palestinian People. This was done in order to reflect better the nature of the operations. The comparative amounts for the prior biennium have been restated accordingly.

(e) Other accounts receivable

The balance shown in schedule 5.2 consists of recoverable advances paid with regard to value added tax.

Note 27

Trust Fund for Rwanda

(a) Mandate and goals

The UNDP Trust Fund for Rwanda was created in April 1995 to enhance UNDP programme activities in support of the Government of Rwanda's Programme of National Reconciliation and Socio-economic Rehabilitation and Recovery as presented at the Round Table Conference at Geneva in January 1995. The purpose of the Fund is to provide assistance to interested Governments and organizations in the following areas:

- Restoration of the administrative capacity of the State, including non-traditional development expenditures, such as salaries and also judiciary expenses;
- Recovery of economic activity;
- Rehabilitation of social sectors;
- Resettlement and reintegration of refugees and displaced persons.

(b) Unliquidated obligations

The amounts shown in schedule 5.2 represent unliquidated obligations of executing agents.

(c) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	<i>1997</i>	<i>1995</i>	<i>1997</i>	<i>1995</i>
	<i>(thousands of United States dollars)</i>			
Regular resources	14 954	4 441	35 571	9 636
Sub-trust funds	8 570	198	6 310	7 239
Total	23 524	4 639	41 881	16 875

Unspent allocations for five sub-trust funds exceeded their available resources in the amount of \$2,493,840. Contributions receivable for these sub-trust funds amount to \$767,606. This amount is included in the contributions receivable of \$4,959,000 shown in note 34.

(d) Expenditure

The amount of \$663,000 shown in schedule 5.1 comprises agency support cost of \$267,000 and UNDP support cost of \$396,000. The latter amount is also included in the amount of \$1,568,000 shown in schedule 5.2.

Note 28

Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries

In accordance with the General Assembly's decision at its forty-first session in 1986, \$5 million of the trust fund's resources are held in perpetuity. It was also decided that only interest earnings from the Fund's investments would be available for programming.

Note 29

United Nations Capital Development Fund

(a) Mandate and goals

UNCDF is a multilateral donor organization under the administration of UNDP. It works to reduce poverty in least developed countries through strengthening local government and community institutions, enhancing the private sector, creating mechanisms for the provision of credit to the poor and swapping capital investments for the environmentally sound use of natural resources.

The General Assembly established UNCDF as an autonomous organization within the United Nations system by resolution 2186 (XXI) of 13 December 1966. The Assembly further decided, by resolution 2321 (XXII) of 15 December 1967, that the UNDP Administrator would administer the Fund and serve as its Managing Director while the UNDP Governing Council would act as the Fund's Executive Board.

(b) Cash

The amounts shown in schedule 7 consist of:

	1997	1995
	(thousands of United States dollars)	
United States dollar amounts	128	1
Convertible currencies	1	1
Accumulating non-convertible currencies	460	420
Total	589	422

(c) Loans to governments

The amount of \$5,636,840 (\$9,671,809 in 1995) shown in schedule 7 represents the total outstanding loans made by the Fund to the Governments of Benin, Botswana, Burkina Faso, Ghana, Mali, Nepal and Senegal. No advances were made during the current biennium. The status of these loans is as follows:

<i>Recipient country</i>	<i>Project number</i>	<i>Loan amount as at 1 January 1996</i>	<i>Repayments</i>	<i>Outstanding loan amount as at 31 December 1997</i>
<i>(thousands of United States dollars)</i>				
Benin	RAF/94/C02	200	—	200
Botswana	BOT/87/C02	2 143	1 428	715
	BOT/87/C05	4 363	1 678	2 685
	BOT/87/C06	1 875	783	1 092
Burkina Faso	RAF/94/C02	200	—	200
Ghana	RAF/94/C02	200	—	200
Mali	RAF/94/C02	200	—	200
Nepal	NEP/85/C01	291	146	145
Senegal	RAF/94/C02	200	—	200
Total		9 672	4 035	5 637

These loans are repayable over a period of 10 years. The amount due for 1997 and prior years is \$36,332.

(d) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	<i>1997</i>	<i>1995</i>
<i>(thousands of United States dollars)</i>		
Executing agents	6 437	10 748
Biennial support budget and others	241	286
Total	6 678	11 034

(e) Operational reserve

The Governing Council, at its twenty-sixth session in 1979, approved the establishment of an operational reserve at the level of at least 20 per cent of project commitments and contingent liabilities for guarantees entered into by the Fund in respect of bank loans to Governments (excluding sub-trust fund and cost-sharing arrangements). In line with that decision, the operational reserve originally established in 1979 was adjusted to \$45 million at 31 December 1997, as shown in schedule 7.

(f) Unspent allocations and future commitments

The unspent allocations at 31 December 1997 amounted to \$22,213,749 (\$25,973,154 in 1995). However, total commitments made under the partial funding system amount to \$224,948,000 (\$209,528,000 in 1995).

The partial funding system was originally approved by the Governing Council in 1979. At its thirty-fourth session in 1982, the Council reviewed the system and modified the formula for calculating the allowable ceiling of outstanding commitments to be the sum of liquid resources, exclusive of the operational reserve, plus five years of anticipated voluntary contributions.

The total commitments shown above consist of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Regular resources	221 737	204 307
Cost-sharing	218	315
Sub-trust funds	2 993	4 906
Total	224 948	209 528

The commitments shown are well within the limit set under the partial funding system.

Note 30

United Nations Revolving Fund for Natural Resources Exploration

(a) Mandate and goals

UNRFNRE was established in 1973 in accordance with General Assembly resolution 3167 (XXVIII) of 17 December 1973 as a trust fund to be administered by UNDP.

Its mandate is to extend and intensify the activities of the United Nations system in the field of natural resources exploration in developing countries through the sharing of the risks involved. At the same time, it is to provide a means for mutual assistance and cooperation in this field.

As a member of the Sustainable Energy and Environment Division of UNDP since July 1996, UNRFNRE is currently expanding its position as a catalyst for the sustainable development of natural resources.

Under the concept of the sustainable development, the Revolving Fund demonstrates the following features:

- Replenishment contribution is a unique feature of the Revolving Fund. If an exploration project results in the discovery of a deposit of development, the concerned government would repay at a rate of 2 per cent of the gross annual value of production (1 per cent for the least-developed countries) for a period of 15 years, until a ceiling of 10 times total project costs at constant prices is attained;
- Exploration of minerals focused on deposits appropriate for small-scale mining among the socially and economically less stable developing countries, thereby filling the gap that exists where private mining companies are not willing to implement exploration in spite of high mineral potential;
- Exploration of geothermal energy aiming at environmental friendly-clean energy in developing countries for the purpose of reducing dependence on oil, which in many cases, has to be imported and will cause environmental degradation;

- Environmentally sound research and development activities in the area of mining-related pollution.

(b) Programme expenditure

The amount of \$654,328 (\$458,317 in 1994-1995) shown in schedule 7 includes pre-project expenditure in the amount of \$101,239 (\$82,654 in 1994-1995).

(c) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	1997	1995
	<i>(thousands of United States dollars)</i>	
Executing agents	34	3
Biennial support budget	2	7
Total	36	10

(d) Unspent allocations and unexpended resources

The amounts shown in schedule 7 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	1997	1995	1997	1995
	<i>(thousands of United States dollars)</i>			
Regular resources	340	335	3 111	3 102
Sub-trust funds	18	50	32	65
Total	358	385	3 143	3 167

Note 31

United Nations Fund for Science and Technology for Development

(a) Mission and goals

UNFSTD was set up by the Vienna Conference in 1979 to deal more effectively with science and technology matters in a multilateral framework.

Its mission is to accelerate sustainable development by playing a special role within the United Nations system to promote Transfer of Technology and build Endogenous Capacity. It provides assistance in such priority areas as: science and technology policy and capacity-building; technology innovation and entrepreneurship development; information technology and technology information; quality control and maintenance; and new and renewable energy.

(b) Unspent allocations and unexpended resources

The amounts shown in schedule 7 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	<i>1997</i>	<i>1995</i>	<i>1997</i>	<i>1995</i>
	<i>(thousands of United States dollars)</i>			
Regular resources	391	539	792	677
Cost-sharing	—	39	27	34
Sub-trust funds	31	103	351	404
Total	422	681	1 170	1 115

(c) Future

The Fund plans to conclude its activities in 1998.

Note 32**United Nations Development Fund for Women****(a) Mandate and goals**

In its resolution 39/125 of 14 December 1984, the General Assembly established the United Nations Development Fund for Women (UNIFEM) to play an innovative and catalytic role in the promotion of women's empowerment and gender equality. More specifically, the Fund's mandate is:

- To support innovative and experimental activities benefiting women, in line with national and regional priorities;
- To serve as a catalyst, with the goal of ensuring the appropriate involvement of women in mainstream development activities, as often as possible at the pre-investment stage;
- To play an innovative and catalytic role in relation to the United Nations overall system of development cooperation.

(b) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	<i>1997</i>	<i>1995</i>
	<i>(thousands of United States dollars)</i>	
Executing agents	1 133	419
Biennial support budget	51	186
Total	1 184	605

(c) Partial funding system and operational reserve

In accordance with a 1995 decision of the Executive Board, UNIFEM has been operating under the full funding system since 1 January 1995. The Executive Board temporarily suspended the requirements of the operational reserve and granted UNIFEM

the use of the UNDP overdraft facility during the period 1995–1997 up to a maximum draw-down of \$4.5 million to cover its prior commitments. No draw-down from the overdraft facility was made.

At its third regular session in September 1996, the Executive Board agreed to the re-establishment of the operational reserve at the initial level of \$3.0 million (decision 96/43). On 17 January 1997 the Executive Board approved a modified partial funding modality to determine programme approval levels and associated operational reserve balance.

Under the partial funding modality, the maximum approved level for programming over a three-year period should be the net of a conservative estimate of income realization for the next three years minus administrative costs for that same period. A very conservative estimate of income to be realized for the first year would be equal to the estimated income for that year, calculated on the basis of the pledging conference results and direct consultation with donors. The estimate for the second year would be equal to 50 per cent of the estimated income of the first year while the estimate of the third year would be equal to 25 per cent of the estimated income of the first year (i.e., 50 per cent of the estimate for the previous year). The administrative costs would be by default equal to three times the current year costs.

The operational reserve would be set at the annual average expenditure over the programming period, i.e., one third of the maximum programme approval level times the estimated delivery rate. In accordance with the modified partial funding modality, the operational reserve has been increased to \$3.5 million as of 31 December 1997.

(d) Unspent allocations and unexpended resources

The amounts shown in schedule 5.2 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	<i>1997</i>	<i>1995</i>	<i>1997</i>	<i>1995</i>
	<i>(thousands of United States dollars)</i>			
Regular resources	6 549	13 124	5 768	4 101
Cost-sharing	4 702	5 791	3 505	2 119
Sub-trust funds	4 084	1 815	2 159	1 607
Total	15 335	20 730	11 432	7 827

Allocations exceeding regular, cost-sharing and sub-trust fund resources amounting to \$780,106, \$1,196,244 and \$1,926,247 respectively were issued on the basis of contributions receivable from Governments in the amount of \$2,039,006, \$2,317,843 and \$2,626,561 respectively. These amounts are included in the contributions receivable of \$6,983,410 shown in note 34. Contributions receivable shown in note 34 do not include pledges for future years amounting to \$1,571,187.

(e) Transfer from regular resources to sub-trust funds resources

The sub-trust funds "Post-Beijing follow-up in Western Asia" and "Beijing Conference Preparations in Anglophone West Africa" (shown in schedule 7.1) were in deficit by \$14,419 and \$5,130 respectively at 31 December 1997. In order to cover that deficit (which is in contradiction with the principle of full funding system) UNIFEM management decided to advance \$19,549 from regular resources to sub-trust fund resources.

(f) Letter of credit

A letter of credit in the amount of \$525,000 was established with Chase Manhattan Bank in connection with cost-sharing project RLA/92/W02. The balance outstanding at 31 December 1997 was \$300,000. This amount is collateralized by investments held in the UNIFEM portfolio.

Note 33**United Nations Volunteers programme****(a) Mandate and goals**

Set by the General Assembly in 1970, under the general aegis of UNDP, UNV strives:

- To promote directly volunteer contributions to development by helping better to define and make known volunteer roles in development; by recruiting and fielding United Nations Volunteers (UNVs); and by stimulating the establishment of local volunteer and youth schemes;
- To provide a global facility, under the United Nations system, that allows UNVs to serve people through Governments, United Nations agencies, international organizations, community-based organizations and non-governmental organizations by direct placement; by helping to establish networks; and by providing information and channels for contact.

In so doing, UNV demonstrates the following features:

- A special kind of contribution, noted for its spirit of solidarity and partnership, to a wide range of technical cooperation activities;
- Effective support to humanitarian aid programmes;
- Assistance to the United Nations peace-making and peace-building activities;
- Targeted support to community-based participatory development, especially among low income groups in poverty situations;
- The ability to mobilize volunteer human resources from all over the world, including from developing countries themselves;
- The willingness to adjust its policies and procedures to local conditions and needs;
- The advantage of building on the institutional presence and development involvement of UNDP and the United Nations system in virtually all developing countries;
- Ability to provide a flexible response, including the use of mixed teams of international and national volunteers;
- Pro-active promotion of volunteer efforts in areas of strategic relevance such as urban development, environmental management and preventive/curative development.

(b) Biennial support budget – core activities

The UNV biennial support budget of \$30,287,000 (\$33,783,000 in 1994–1995) is included in UNDP regular resources in the biennial budget and is detailed in schedule 3.

(c) Recovery of external costs

The Governing Council, at its thirty-ninth session in 1992, revised the guidelines for the use of the Special Voluntary Fund and the procedures for recovery of external costs.

It was decided that except in situations where special financing was available, the external costs of volunteers would be charged fully to project budgets on the basis of a pro forma cost. Any difference between pro forma costs and actual costs would be absorbed by the Special Voluntary Fund.

During the biennium, external costs totalling \$7,903,662 (\$9,117,769 in 1994-1995) were recovered and credited as income of the Fund. This amount is shown as part of other income of \$7,693,939 (\$9,304,862 in 1994-1995) in schedule 7.

(d) Other accounts receivable and deferred charges

The amount of \$2,691,913 (\$1,335,931 in 1995) shown in schedule 7 includes the balance due from the United Nations of \$1,523,875 (\$655,803 in 1995) for the purpose of funding specific projects through memoranda of understanding between UNV and the United Nations. The status of this account is as follows:

	1997	1995
	(thousands of United States dollars)	
Balance at 1 January	657	991
Income received	(295)	(3 608)
	362	(2 617)
Expenditure incurred	1 162	3 274
Balance due from the United Nations at 31 December	1 524	657

(e) Unliquidated obligations

The balance of unliquidated obligations shown in schedule 7 consists of:

	1997	1995
	(thousands of United States dollars)	
Reimbursable activities	16	180
Special Voluntary Fund activities	—	11
Sub-trust fund activities	—	15
Total	16	206

(f) Special Voluntary Fund

The Governing Council, at its thirty-ninth session in 1992, decided that the income accruing to the Special Voluntary Fund from voluntary contributions and interest income would be utilized to meet expenditures for pilot and experimental projects, briefing of UNV specialists and the training of domestic development services country specialists and field workers, special recruitment campaigns and other projects of similar nature. Prior to this decision, 85 per cent of the income accruing to the Special Voluntary Fund was used to meet external costs of volunteers. Project budgets were charged an assessed amount to cover external costs that were not met by the Special Voluntary Fund.

(g) Unspent allocations and unexpended resources

The amounts shown in schedule 7 consist of:

	<i>Unspent allocations</i>		<i>Unexpended resources</i>	
	<i>1997</i>	<i>1995</i>	<i>1997</i>	<i>1995</i>
	<i>(thousands of United States dollars)</i>			
Regular resources	9 794	6 999	23 482	12 876
Cost-sharing	276	—	162	—
Sub-trust funds	13 256	12 723	16 800	13 415
Total	23 326	19 722	40 444	26 291

Of the unspent allocations of regular resources, \$4,131,125 (\$4,527,750 in 1995) represents estimated commitments in respect of repatriation travel and resettlement allowances for serving volunteers at 31 December 1997.

Note 34. Contributions due from Governments and other contributors for funds and trust funds administered by the United Nations Development Programme at 31 December 1997, in thousands of United States dollars

	Trust Fund to Combat Desertification and Drought	Trust Fund for the Global Environmental Facility	"Capacity 21" Trust Fund	UNDP Energy Account	Government of Germany Trust Fund for the UNDP World Energy Sector Management Assistance Programme	UNDP Trust Fund in Support of the Activities of the Commission on Forests and Sustainable Development	UNDP Trust Fund for World Summit on Social Development
Voluntary contributions							
1993 and prior years	419	—	—	1	—	—	—
1994	1	—	20	—	—	—	—
1995	4	—	—	—	57	—	—
1996	2	—	—	—	2	—	335
1997	28	—	124	—	—	164	—
Total	454	—	144	1	59	164	335
Cost-sharing contributions							
1996 and prior years	85	195	15	1 220	—	—	—
1997	3 468	—	206	1 293	—	—	—
Total	3 553	195	221	2 513	—	—	—
Total voluntary and cost-sharing contributions	4 007	195	365	2 514	59	164	335
Contributions to sub-trust funds							
1996 and prior years	1 343	35	233	—	—	—	—
1997	—	—	—	—	—	—	—
Total	1 343	35	233	—	—	—	—
Total contributions due	5 350	230	598	2 514	59	164	335

	UNDP Development Study Programme	UNDP/Sweden Trust Fund on Support to the Technical Advisory Committee on the Global Water Partnership	UNDP Trust Fund for Angola	UNDP/Sweden Trust Fund to Support Reconciliation and Activities in Burundi	UNDP Trust Fund for Rwanda	UNDP/Norway Trust Fund for Assistance to Electoral Processes in Mozambique	UNDP Trust Fund for the Mozambique Mine Clearance Programme
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	—	—	—	429	—	—	—
1996	—	—	—	658	2 000	—	30
1997	30	12	—	658	2 191	1 577	805
Total	30	12	—	1 745	4 191	1 577	835
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Total voluntary and cost-sharing contributions	30	12	—	1 745	4 191	1 577	835
Contributions to sub-trust funds							
1996 and prior years	—	—	2 533	—	18	—	—
1997	—	—	595	—	750	—	—
Total	—	—	3 128	—	768	—	—
Total contributions due	30	12	3 128	1 745	4 959	1 577	835

	UNDP Trust Fund to Support the Peace Process in North Mali	UNDP Trust Fund for Namibia	UNDP Trust Fund for the United Nations Educational and Training Programme for Southern Africa	Trust Fund with Norway for Support for Governance in Africa	UNDP Trust Fund for Pooling Agreement for Technical Assistance to the Health Sector	UNDP/EEC Trust Fund Agreement for the Africa 2000 Network Programme: Grants in Burkina Faso, Cameroon and Uganda	Sweden Trust Fund for "Support to Development Programmes in Cambodia through the Cambodia Mine Action Centre"
Voluntary contributions							
1993 and prior years	—	5	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—
1996	5	—	—	—	587	—	—
1997	—	—	4	1 933	—	—	1 316
Total	5	5	4	1 933	587	—	1 316
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Total voluntary and cost-sharing contributions	5	5	4	1 933	587	—	1 316
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	805	—
Total	—	—	—	—	—	805	—
Total contributions due	5	5	4	1 933	587	805	1 316

	Sweden Trust Fund for Support to Cambodia Resettlement and Reintegration Programme	UNDP/Lao People's Democratic Republic Trust Fund for Clearance of Unexploded Ordnance	Sweden Trust Fund for Support to the Comprehensive Disabled Afghans Programme	UNDP/NOVIB Group of Resource Persons for Awareness Creation for Environment and Sustainable Development in Asia	Sweden Trust Fund for Strengthening Financial Policies and Institutions in Viet Nam	UNDP/Australia Trust Fund for Fiscal and Monetary Management Reform and Statistical Improvement, Phase II	UNDP/EEC Trust Fund Agreement for Multi-Donor Partner Support to the Mekong River Commission for Key Officers Posts and Capacity-Building
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	—
1994	—	—	—	27	—	—	—
1995	—	—	—	—	—	—	—
1996	—	—	—	—	—	235	—
1997	31	524	362	—	125	—	140
Total	31	524	362	27	125	235	140
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Total voluntary and cost-sharing contributions	31	524	362	27	125	235	140
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Total contributions due	31	524	362	27	125	235	140

	UNDP/Sweden Trust Fund for the Project Rural Access Planning and Infrastructure for Basic Needs	Trust Fund in Support of the Strengthening of the Ministry of Foreign Affairs in Kyrgyzstan	Trust Fund in Support of National Capacity-Building in External Aid Resources Management	Trust Fund for the Arav S. Basin Programme	UNDP EEC Trust Fund Agreement for Project Support to Refugees and Displaced Persons in Bosnia	UNDP EEC Trust Fund for Support to Village Employment Creation in Bosnia and Herzegovina	UNDP EEC Trust Fund for Village Employment and Environment Project in Bosnia and Herzegovina
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—
1995	—	—	—	—	—	—	—
1996	—	—	—	—	—	—	—
1997	211	80	113	202	—	—	—
Total	211	80	113	202	2 565	643	3 856
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Total voluntary and cost-sharing contributions	211	80	113	202	2 565	643	3 856
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	—	—
1997	—	—	—	—	—	—	—
Total	—	—	—	—	—	—	—
Total contributions due	211	80	113	202	2 565	643	3 856

	UNDP/ERC Trust Fund for the Project -Promotion of Social Integration in Latvia: Language Training Programme"	Sweden Trust Fund for Capacity Development of the Latvian National Human Rights Office	Trust Fund in Support of Peace- Building Activities in El Salvador	UNDP/ERC Trust Fund for "PPB Populations Uprooted by Armed Conflict in Guatemala	UNDP Trust Fund for the Implementation of the Agreement on the Resettlement of Populations Uprooted by Armed Conflict in Guatemala	UNDP Fund for the Programme of Assistance to the Palestinian People	Total of trust funds
Voluntary contributions							
1993 and prior years	—	—	—	—	—	—	425
1994	—	—	—	—	—	—	48
1995	—	—	395	—	—	—	885
1996	—	—	—	32	—	105	4 193
1997	337	228	46	—	235	2 087	20 425
Total	337	228	441	32	235	2 192	25 976
Cost-sharing contributions							
1996 and prior years	—	—	—	—	—	—	1 515
1997	—	—	—	—	—	—	4 967
Total	—	—	—	—	—	—	6 482
Total voluntary and cost-sharing contributions	337	228	441	32	235	2 192	32 458
Contributions to sub-trust funds							
1996 and prior years	—	—	—	—	—	3 026	7 188
1997	—	—	—	—	—	—	2 150
Total	—	—	—	—	—	3 026	9 338
Total contributions due	337	228	441	32	235	5 218	41 796

	United Nations Capital Development Fund	United Nations Revolving Fund for Natural Resources Exploration	United Nations Fund for Science and Technology for Development	United Nations Development Fund for Women	United Nations Volunteers programme	Total of funds	Grand total
Voluntary contributions							
1993 and prior years	375	45	615	142	178	1 355	1 780
1994	15	—	22	8	54	99	147
1995	3	4	22	25	8	62	947
1996	9	4	36	20	4	73	4 266
1997	22	1 010	7	1 844	69	2 952	23 377
Total	424	1 063	702	2 039	313	4 541	30 517
Cost-sharing contributions							
1996 and prior years	20	—	9	—	—	29	1 544
1997	—	—	—	2 318	—	2 318	7 285
Total	20	—	9	2 318	—	2 347	8 829
Total voluntary and cost-sharing contributions	444	1 063	711	4 357	313	6 888	39 346
Contributions to sub-trust funds							
1996 and prior years	2 590	—	73	—	840	3 503	10 691
1997	—	—	—	2 627	—	2 627	4 777
Total	2 590	—	73	2 627	840	6 130	15 468
Total contributions due	3 034	1 063	784	6 984	1 153	13 018	54 814

